

Link to Sustainability

Interim Results Presentation
Press Conference
2013/2014

13 November 2013



Operational and Financial Highlights

For the period ended 30 September 2013



Revenue

HK\$3,493M
+9.3% yoy

Net property income

HK\$2,517M
+11.6% yoy

Interim DPU

HK80.22cents
+12.9% yoy

Expanding our Community Engagement

Link Together Initiatives



Note:

(1) Map showing the districts served by the 10 projects and the project organisers

The Programme This Year

Received overwhelming response with nearly 150 eligible applications

Selected 10 community projects in 13 districts across Hong Kong with total donations of HK\$10.4M

Estimated total number of beneficiaries to be approximately 100,000 people

Our Involvement

Whilst providing monetary donations, we will also be

- ✓ Providing free promotion venues
- ✓ Inviting supports from tenants
- ✓ Making our staff available to serve as staff sponsors of each project

Towards Being a World Class Investor and Manager



MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



2012 Performance

Score: 46/100
Rank: 9/14 in Asia
157/463 globally

2013 Performance

Score: 63/100
Rank: 9/78 in Asia
85/543 globally

2013 Achievement

Achieved Green Star
2013 status
Top 50% ranking in Asia
peer group

Score: 54/100
Lowest Score for
DJSI Asia Pacific:
56/100

Score: 61/100
Lowest Score for
DJSI Asia Pacific:
53/100

Listing in DJSI Asia
Pacific Index since Sep
2013

No Scoring

Score:
3.5/5 overall
82/100 supersector

Listing in FTSE4Good
Index since Mar 2013

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Interim DPU

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NAV per unit

HK\$38.04
+6.6%⁽¹⁾

Occupancy

94.1%
Steady⁽¹⁾

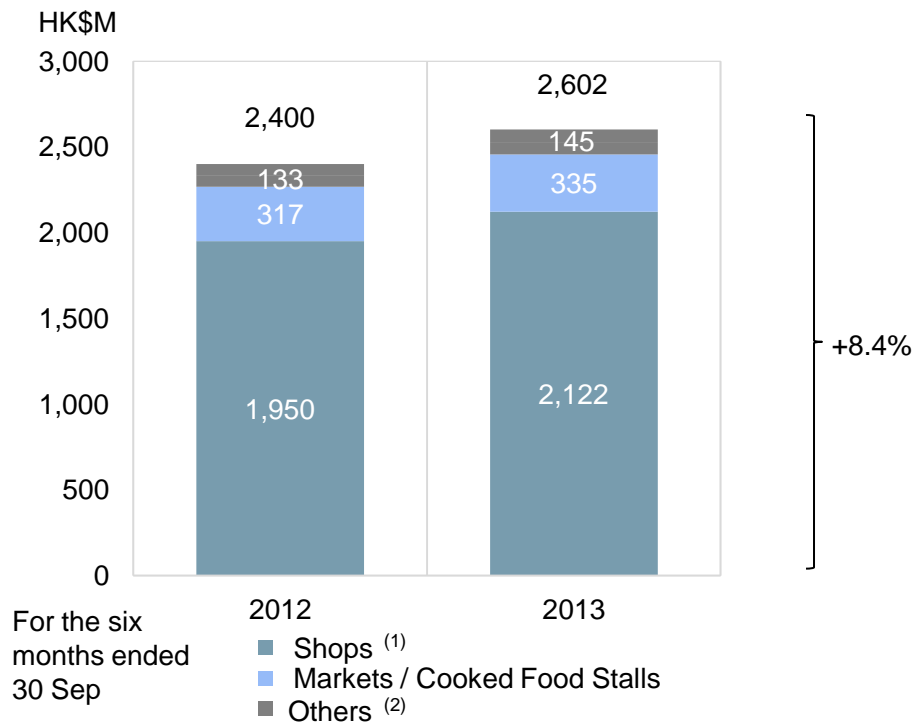
Average monthly unit rent

HK\$40.2
+4.7%⁽¹⁾

Note:

⁽¹⁾ Variance as compared with 31 March 2013

Retail Rentals Performance

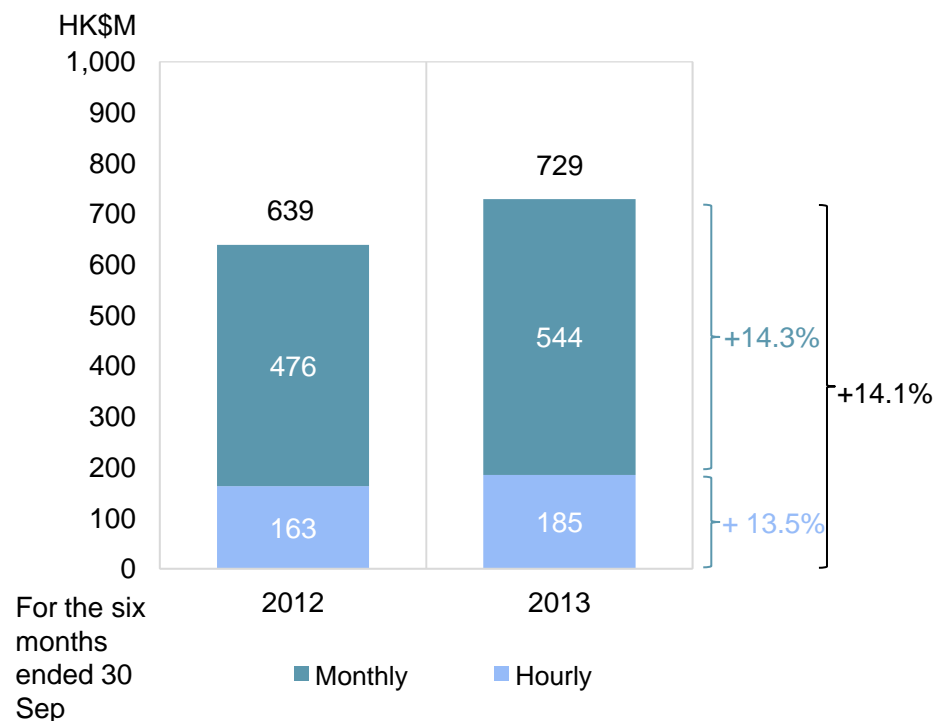


Notes:

- (1) Rental from shops includes base and turnover rents
(2) Others including education / welfare / office / ancillary & mall merchandising

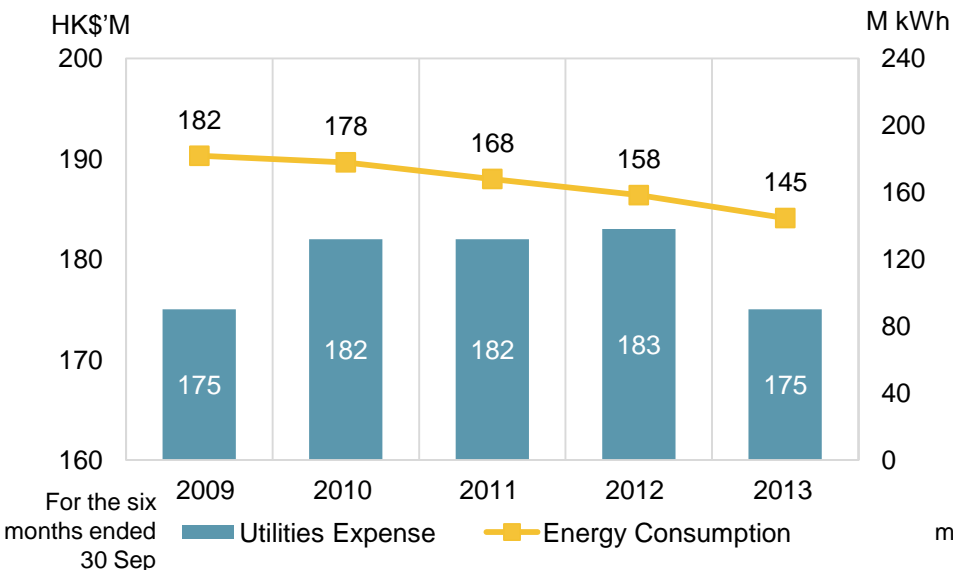
Sustainable tenant sales growth and favourable retail market supporting retail growth

Car Park Rentals Performance



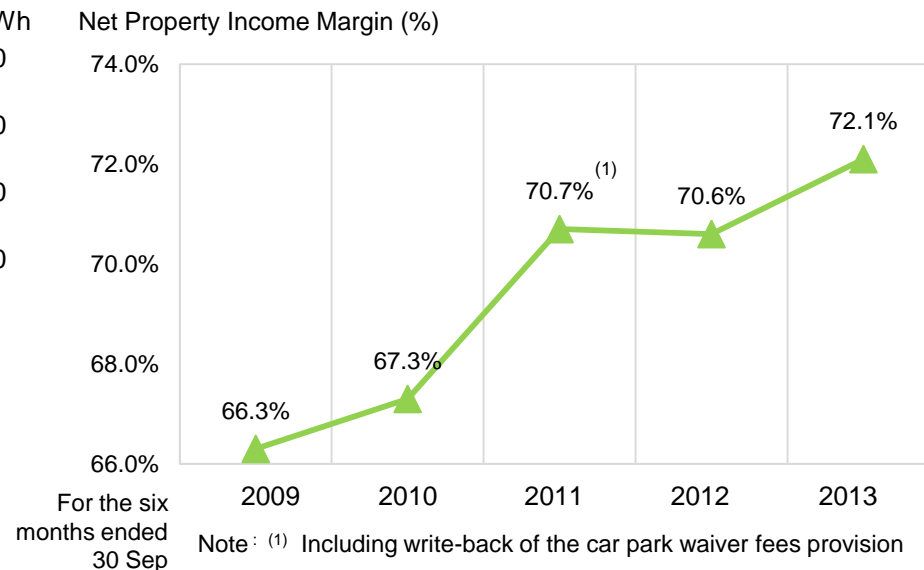
Robust car park performance driven by strong demand

Well-controlled Utilities Expense



- Effective energy management measures to improve operation efficiency
- Ongoing Chiller Replacement and Lighting Improvement Programmes
- Promoting green culture within our malls

Continuous Margin Improvement

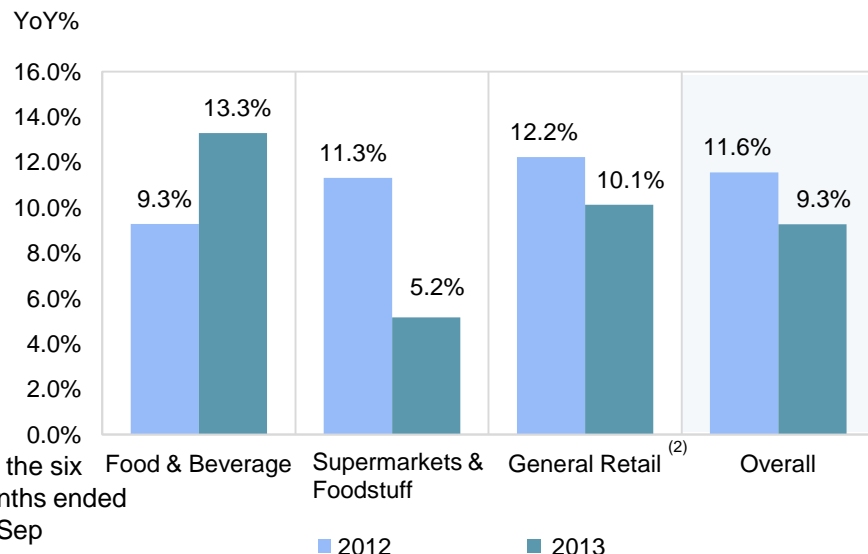


- Improved asset management quality supports net property income growth
- Successful cost management amidst inflationary pressure
- Maintaining sustainable improvement in margin

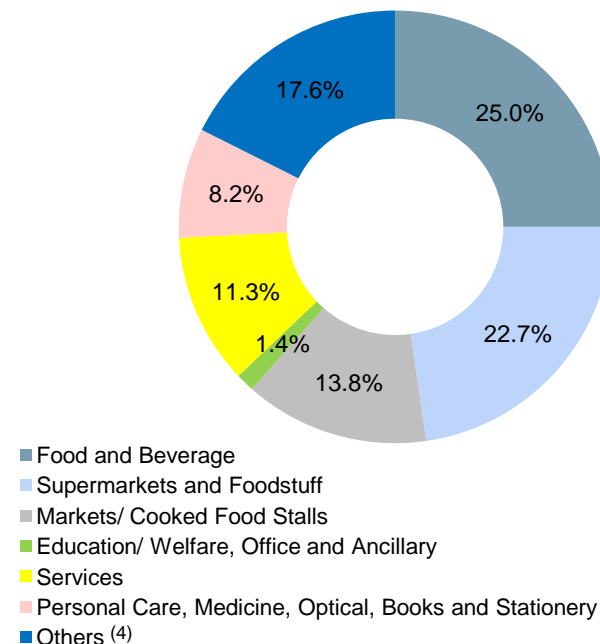
Disciplined cost control continues to drive margin improvement

Operational Performance – Encouraging Tenants' Performance

Tenants' Gross Sales ⁽¹⁾



Retail Trade Mix by Monthly Rent ⁽³⁾

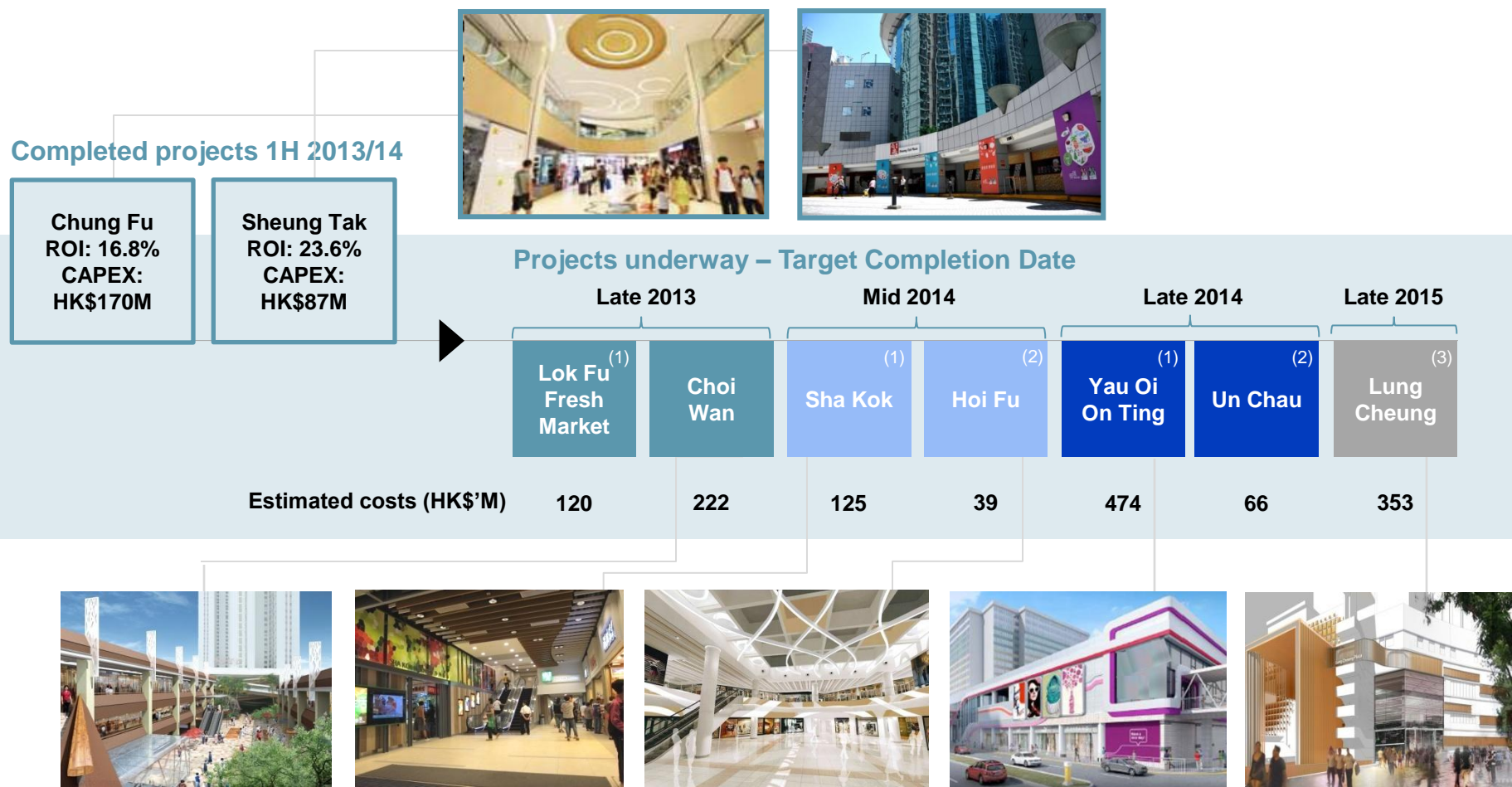


Notes:

- (1) Percentage figures represent year-on-year change in tenants average monthly sales per square foot for the 6 months ended 30 September 2013
- (2) Including services, personal care, medicine, optical, books and stationery, and items classified under "others" below. See note (4).
- (3) Percentage figures as at 30 September 2013
- (4) Including clothing, department stores, electrical and household products, leisure and entertainment, and valuable goods

Resilient trade mix with steady tenant sales growth contributed to satisfactory operating performance

Asset Enhancement – Continuous Pipeline



Notes:

- (1) Projects include a market upgrade
- (2) Properties ranked outside of top 50 by valuation
- (3) Property ranked amongst top 10 by valuation
- (4) Estimated return on investment ("ROI") is calculated based on projected net property income post project minus net property income pre project divided by estimated project capital expenditures and loss of rental

Asset Enhancement – Further Improve Portfolio

Investment Thesis

District strategy to identify potential growth areas

Further upgrade of previously renovated properties

Continuous execution of fresh market strategy

Enhancement expands beyond top 50 properties

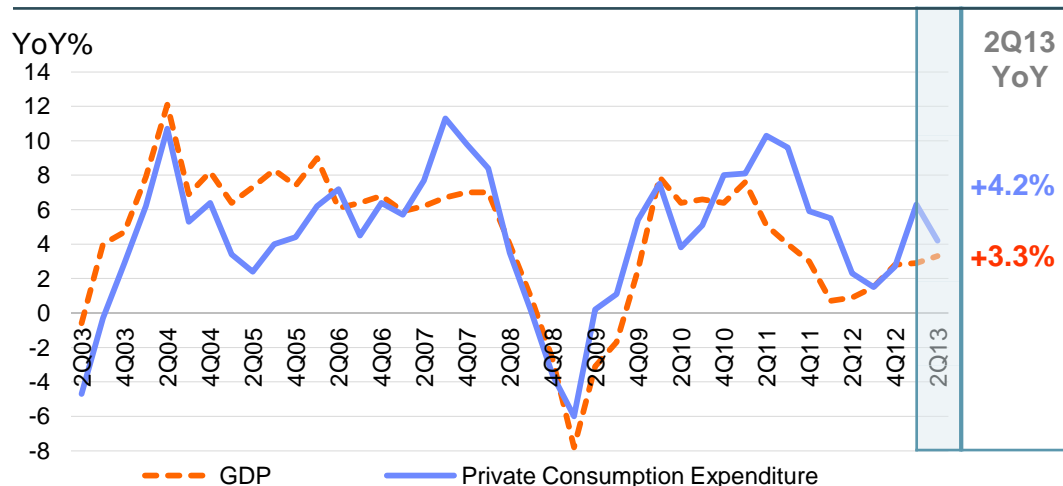
Status of Asset Enhancement Projects

	Number of Projects	Estimated Costs HK\$'M
Completed since IPO	32	2,935
Underway	8	1,399
Pending Statutory Approval	6	1,128
Others Under Planning	>13	>1,500
Total	>59	>6,962

Continuous asset enhancement pipeline provides better quality properties to support asset management

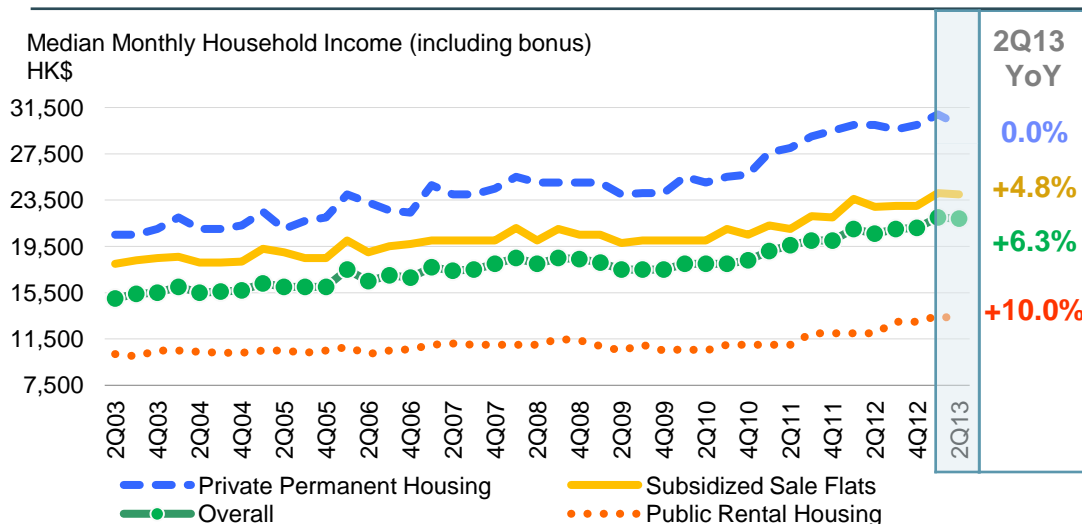
Hong Kong Economy – Continuing Growth

GDP & PCE Growth



- Strong GDP growth supported by expanding domestic demand
- Increasing private consumption amid stable income and favourable employment conditions
- 2013 inflation expectation of 4.3%

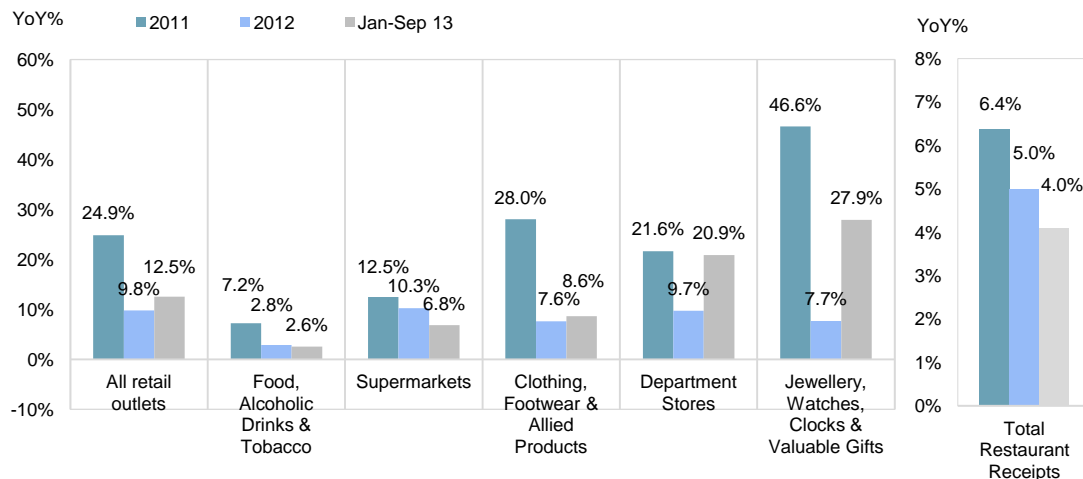
Household Income Growth



- Rising public rental household income supported by increasing pay above minimum wage
- Steady improvement in household income continued to drive domestic expenditure
- Historical low unemployment rate of 3.3% for 3Q13

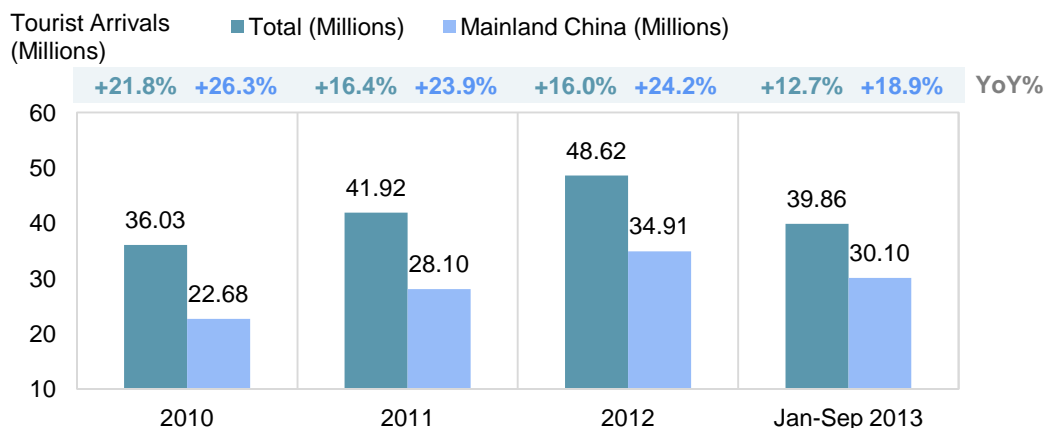
Hong Kong Economy – Retail Sales and Tourist Arrivals

YoY of Retail Sales Value



- Retail sales growth in most sectors supported by tourists and domestic consumption
- Daily necessities segments exhibited resilient growth
- Growth in high-end retail moderating

Tourist Arrival Growth



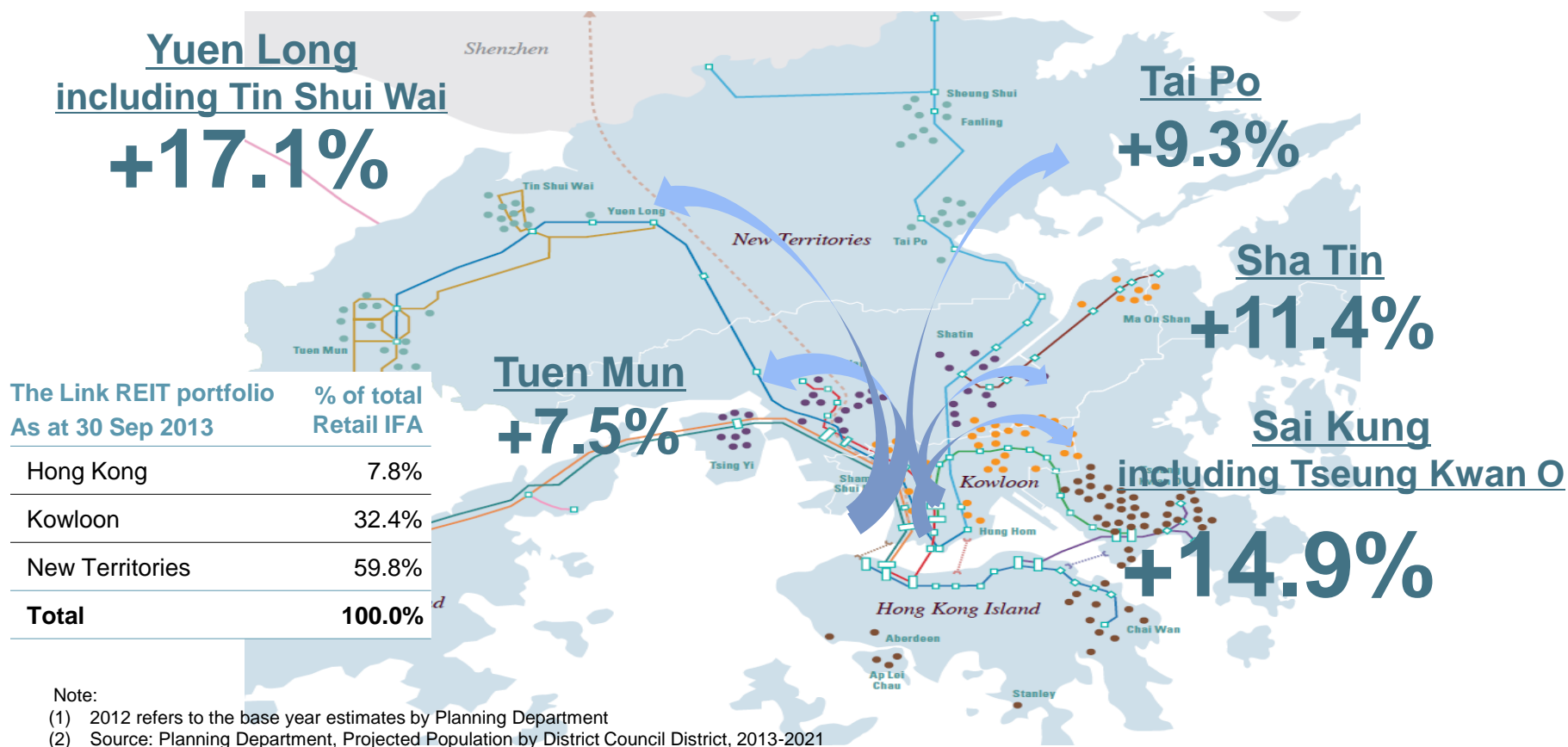
- Tourist arrival showed consistent growth with Mainland tourists accounted for 76% in Jan – Sep 2013
- Mainland shoppers' contribution to HK retail sales⁽¹⁾ accounted for 31.6% in 1H13

Note: ⁽¹⁾ Contribution is estimated based on the Mainland tourists' spending on shopping from Hong Kong Tourism Board as a fraction of HK Retail Sales from Census and Statistic Department

Source: Census and Statistics Department, CEIC, Hong Kong Tourism Board ("HKTB")

Market Decentralisation Led by Urban Sprawl

Projected Population Growth, 2012⁽¹⁾ – 2021E



Decentralisation stimulates growth of suburban shopping centres

Strategic Investment in New Territories West

Investment in New Territories West

Tin Shui Wai /Yuen Long



Tin Yiu Plaza

FY2008/09



Tin Shui Plaza

FY2011/12



Chung Fu Plaza

FY2013/14

Tuen Mun



Butterfly Plaza

FY2009/10



Leung King Plaza

FY2012/13



Yau Oi / On Ting

Late 2014

- Completed asset enhancement projects
- Undergoing asset enhancement projects



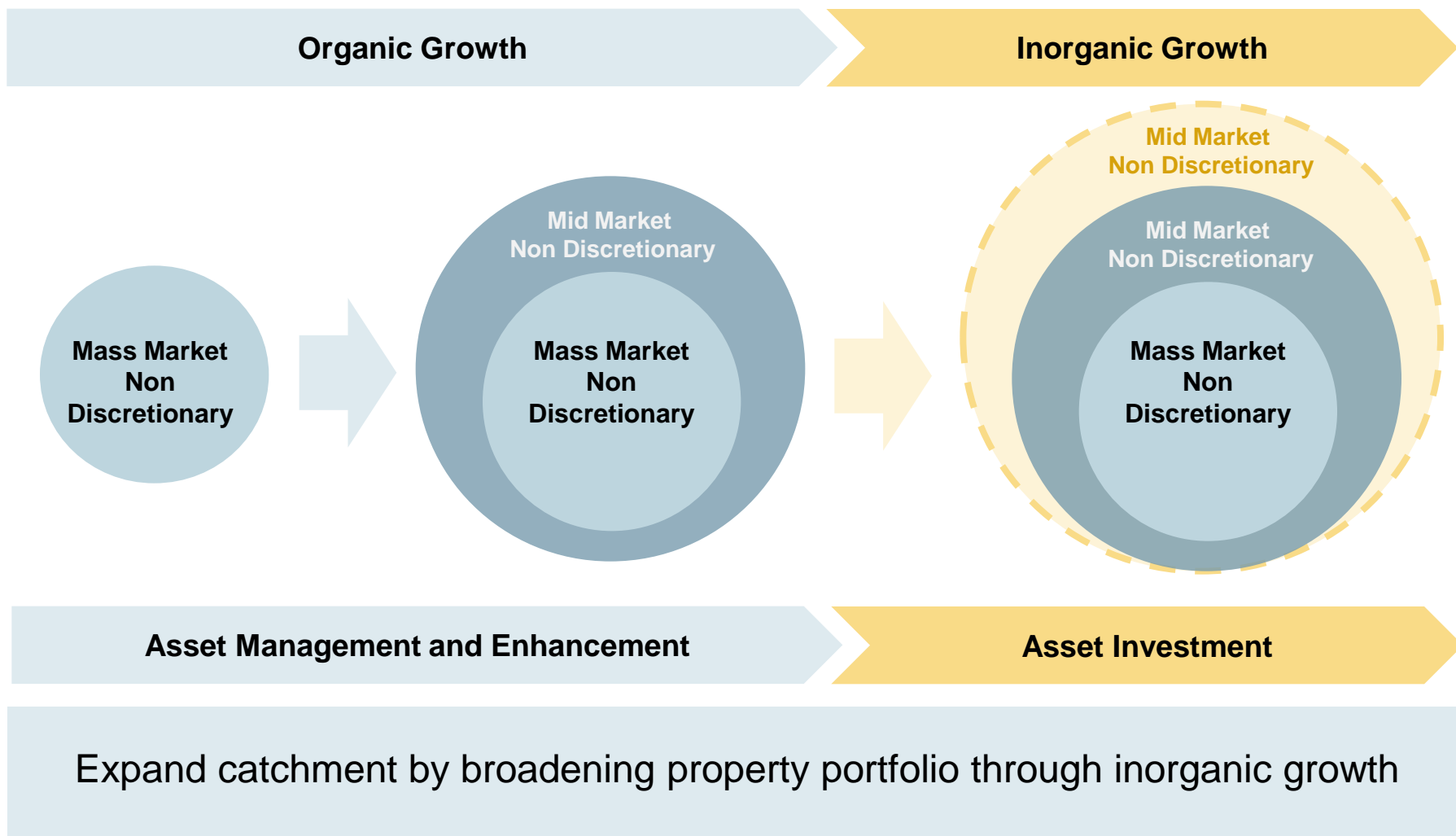
Yau Oi and On Ting – Asset Enhancement Objectives

Integrating two properties to create one large comprehensive shopping complex

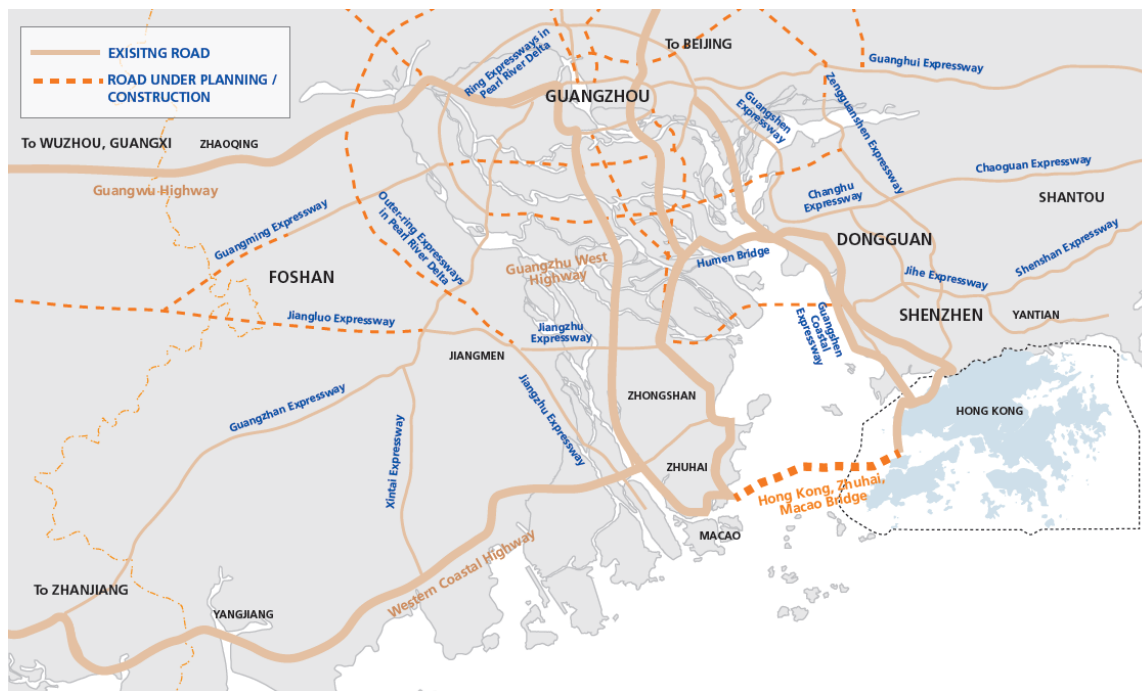
Reposition to target younger shoppers and change from community centre to flagship centre

Largest number of car park spaces in Tuen Mun to capture shoppers from expanding catchment

Link to Sustainable Growth



Exploring New Growth Drivers Beyond Hong Kong



- Infrastructure development facilitates reach of cross border shoppers
- Increasing integration with other parts of Pearl River Delta
- Fast growing middle class Mainland shoppers

Source: Highways Department

Evaluate long term strategic plans to capture opportunities

Positive growth of Hong Kong economy will continue to support domestic consumption

Inbound tourists will drive retail sales growth, particularly, in sub-urban districts

Organic growth through diligent asset management will be supported by extended asset enhancement pipeline

Strategic portfolio expansion through asset investment will deliver inorganic growth

Prudent capital management strategy will minimise impact of any interest rate rise and provide solid foundation for growth

Distribution

▪ Distribution period	Apr 2013 – Sep 2013
▪ Last day of trading on a “cum” basis	25 Nov 2013
▪ Ex Distribution date	26 Nov 2013
▪ Distribution book close	28 Nov – 2 Dec 2013 (both days inclusive)
▪ Record date for entitlement to cash distribution ⁽¹⁾	2 Dec 2013
▪ Payment of cash distribution ⁽¹⁾	10 Dec 2013

Note:

⁽¹⁾ There is no scrip alternative for this distribution.

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