



IFS
CHENGDU

CHINA INVESTMENT PROPERTIES



BUSINESS REVIEW

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China IP began to bear fruit, lifting revenue by 16% to HK\$2,305 million, and operating profit by 25% to HK\$1,243 million. In particular, Chengdu IFS showed continued strength, with retail performance exceeding expectation. Its distinguished positioning makes it stand out in a competitive market.

CHENGDU IFS

Retail

Retail revenue increased by 25% to RMB605 million. Occupancy rate was virtually 100%.

Riding on its unrivalled location, critical mass, high calibre management and services, as well as the 15-metre-tall outdoor giant panda art installation, Chengdu IFS has quickly become a trend-setter and a one-stop lifestyle, shopping and entertainment landmark in Western China since its opening in 2014. The appealing mega mall offers exceptional brand diversity, housing nearly 300 global premium brands including over 100 debuts in Western China. The 7,700-square-metre Sculpture Garden showcasing a range of sculptures created by artists from different parts of the world and a host of entertainment offerings including a UA (IMAX) movie theatre, the bowling centre and ice skating rink have been well-liked by shoppers.

Trade-mix was further refined with the introduction of various new brands and culinary options including Creemee J, Ed Hardy, Hollys Coffee, Hublot, Roberto Cavalli Junior, Shiseido SPA, Zenith, Huang Cheng Lao Ma and Nan Xiao Guan. Various marketing events including “CDIFS x Sticky Monster Lab Sports Meet” which featured a 140-metre inflatable Sticky Monster Lab City Runway along Hongxing Road and “2015 International Vertical Marathon – Chengdu” drove patronage. In 2015, Chengdu IFS garnered various reputable awards including Gold Award of “ICSC Asia Pacific Shopping Centre Awards 2015 (Design & Development)” and “2015 Western Commercial Real Estate Value List – The Most Demonstrative City Complex in Western China” by Western China Commercial Real Estate Association and Sichuan Chain Business Association, in recognition of its proven management expertise.

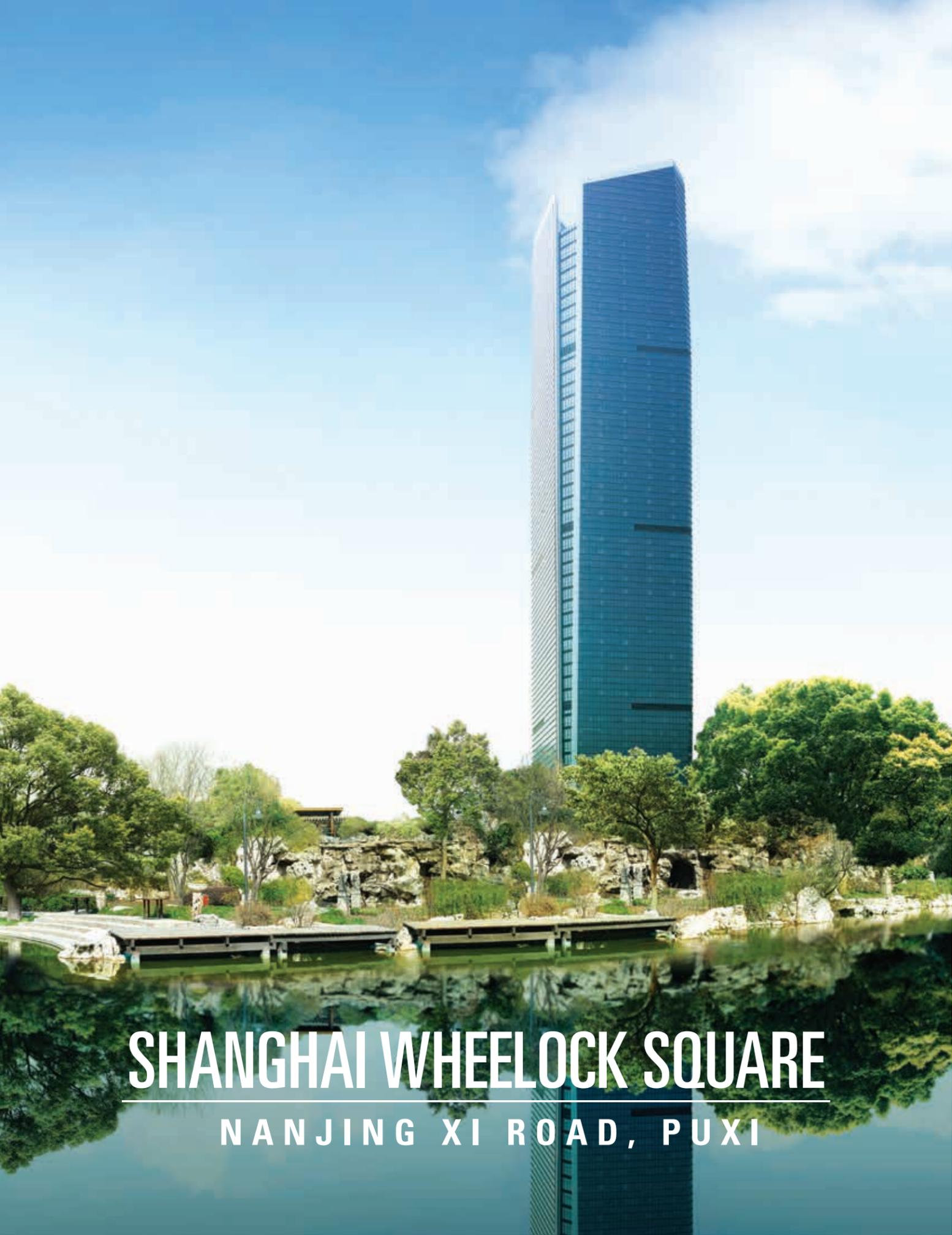
Office

Defining tomorrow’s finest premium offices in Western China, the three top-quality Grade A office towers are the most desirable location for multinationals, financial institutions and major corporations. It is well-positioned as a marketplace for tenants to forge connections and to conduct seamless business interaction. The leasing of office towers is at full steam, with solid demand from prestigious tenants. 90,200 square metres (33% of total GFA) have been leased, including nearly 50,000 square metres in 2015. Rental rates achieved (RMB130–170 per square metre per month) were among the highest in the city.

CHENGDU TIMES OUTLET

Chengdu Times Outlet, offering over 250 top international luxury brands at outlet prices, ranked among the most visited shopping destinations. This 63,000-square-metre mall posted a 16% growth rate in retail sales during 2015 over 2014.





SHANGHAI WHEELOCK SQUARE

NANJING XI ROAD, PUXI

SHANGHAI WHEELOCK SQUARE

Representing the tallest and finest premium office address in Puxi, the 270-metre iconic tower with excellent transportation network remains the most preferred location for multinationals and major corporations. It is conveniently located right opposite to Jing'an Temple Metro Station from where frequent trains commute to Pudong International Airport and is adjacent to the Yan'an elevated expressway. It also sits between the Bund and Zhongshan Xi Road with Hongqiao International Airport further to the west.

Occupancy rate was maintained at 98% at year-end. Lease renewal retention rate was 81% with solid rental reversion (11%). Thanks to its top-notch service and management, Wheelock Square was awarded "The Safe Unit in Jing'an District 2014" by the Shanghai Jing'an District Security Governed Committee and "The Integrated Security Access Liability 2014 — Excellence Class" by the Jing'an Road and Street Governed Committee.

SHANGHAI TIMES SQUARE

The elite retail destination, strategically located on Huaihai Zhong Road, is home to the largest Lane Crawford store in Mainland China and a mega lifestyle specialty store CitySuper. The mall was virtually fully let. Constant refinement of tenant mix and culinary experiences added excitement. Character-themed marketing events successfully garnered young customers' attention and sustained interaction with families and kids. Ju Ming Exhibition, the fourth stop in China, further drove traffic and sales. The offices were nearly 100% occupied at year-end. Lease renewal retention rate was 82%.



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UNDER DEVELOPMENT

The Group has a relatively full pipeline of IFS and Times Outlet developments which are progressing at full speed to accelerate growth momentum. These are expected to be a significant earnings and valuation growth driver. Both Times Outlet and IFS in Chengdu delivered strong results. The Group continued to implement best practices on retail-oriented IFS complexes in Chongqing and Changsha to tap strong experience-oriented consumption in the Western and Central China metropolis in the years to come.

Strategically located at the heart of their respective core CBDs, Chengdu IFS and Changsha IFS (designed by renowned architects) are set to transcend Harbour City and Times Square in Hong Kong in terms of scale and local market positioning. Please refer to the table below.

| Multi-use Developments | Harbour City, Hong Kong | Chengdu IFS | Changsha IFS |
|-----------------------------------|---|--|--|
| Development Area & Project Nature | 9.1M square feet (Mall: 2.0M, Office: 4.3M, 3 hotels with 1,455 rooms, Serviced apartments & private sports club) | 8.2M square feet (Mall: 2.2M, Office: 3.1M, 1 luxury hotel with 230 rooms & Serviced apartments) | 11.0M square feet (Mall: 2.5M, Office: 4.8M & 2 hotels with 417 rooms) |
| Retail Street Frontage | 1/3 mile | 1/3 mile | nearly 1/2 mile |
| Location | Tsim Sha Tsui, adjacent to Star Ferry Pier and bus terminus | Intersection of Hongxing Road, Dacisi Road and Beishamao Street, busiest pedestrian shopping area and Chunxi Road commercial circle* | Jiefang Road, Furong District*. Close proximity to Huangxing Road, one of the busiest pedestrian streets. Flanked by financial institutions and a traditional shopping cluster |
| Mass Transit Linkage | 5-minute walk to TST MTR Station | Directly connected to MTR station (Lines 2 and 3 intersect) | Underground linkage to future Wuyi Plaza Station Line 1 (under construction) and Line 2 |

*Comparable to Hong Kong's Central CBD, Causeway Bay and Tsim Sha Tsui combined.

CHANGSHA IFS

Changsha IFS, the most sizable mixed-use IFS complex with a 230,000-square-metre mega mall, is well positioned to be the ultimate shopping, dining, lifestyle and leisure destination in Hunan province. Currently, over 75% of total retail area was under offer to tenants or discussion.

Setting a new standard for future offices, the premier office towers will be among the most coveted addresses for financial institutions based in the province.

The third luxury Niccolo hotel is set to open at Changsha IFS.

CHONGQING IFS

Prominently located in Jiangbei District (Chongqing's new CBD), the 50%-owned Chongqing IFS will comprise an iconic 300-metre landmark tower and four other towers above a 102,000-square-metre retail podium, making it the largest mixed-use complex in the region. The development will feature a mega mall (a boutique-sized Harbour City), Grade A offices and the second Niccolo luxury hotel. Over 85% of the retail floor plates were under offer to tenants or in serious discussion with key anchors and various major players. Over 80% of office Tower Two and Three was sold. Full completion is scheduled for 2016. The mall is poised to open in early 2017.

SUZHOU IFS

Ideally located in the CBD overlooking Jinji Lake, the 80%-owned Suzhou IFS (total GFA: 278,000 square metres) is a 450-metre landmark development comprising international Grade A offices, luxury apartments and a 133-room luxury Niccolo hotel. In close proximity to Xinghu Street MTR Station (Line 1), the development is scheduled for full completion in 2017.

CHANGSHA TIMES OUTLET

Located at the northwest of Changsha, the 70,000-square-metre Changsha Times Outlet has direct access to multiple major motorways (including metro and high-speed expressway) connecting Changsha to various popular tourist attractions nationwide including Zhangjiajie and Dongting Lake. Construction work is underway with completion scheduled for 2016.

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