



For immediate release

Hang Lung Sees Strong Profits Led by Core Businesses

(Hong Kong, January 19, 2012) Hang Lung Properties (HKEx stock code: 101) and Hang Lung Group (HKEx stock code: 10) today announced strong financial results for the six-month period ended December 31, 2011, driven by solid and continued growth in their core businesses.

Strong rental turnover and solid growth profits in property leasing across Hong Kong and the Mainland fueled an increase of 29% and 27% in underlying net profit for Hang Lung Properties and Hang Lung Group, respectively.

"The acquisition of a prime site in Kunming marks our debut in mainland China's southwest region," said Mr. Ronnie C. Chan, Chairman of Hang Lung Group and Hang Lung Properties. "Forum 66 in Shenyang is scheduled to open in the fourth quarter of 2012. Working toward the goal of completing one major world-class commercial project each year in a Mainland city in the years to come, we have been extending our presence to become a mega nationwide enterprise."

Mr. Chan added, "While expanding our footprint on the Mainland, it goes beyond doubt that we will continue to invest in our home market of Hong Kong. We will constantly review and upgrade tenant mix, and refurbish Hong Kong assets to enhance competitiveness and return."

A strong balance sheet has equipped Hang Lung with an ample war chest to capture expansion opportunities. Nonetheless, discipline will be maintained in considering new land acquisitions, with land parcels sought only when and where deemed appropriate.

The company's financial year end date has been changed from June 30 to December 31 pursuant to a resolution of the Board of Directors of the company dated November 27, 2011.

Financial Highlights

For the six-month period ended December 31, 2011 (audited)

(HK\$ Million)	Hang Lung Properties Limited			Hang Lung Group Limited		
	2011	2010	Change (%)	2011	2010	Change (%)
Turnover						
Property Leasing	2,876	2,518	14%	3,168	2,786	14%
Property Sales	193	3	63 times	193	3	63 times
Total	3,069	2,521	22%	3,361	2,789	21%
Operating Profit						
Property Leasing	2,301	2,072	11%	2,503	2,259	11%
Property Sales	150	2	74 times	150	2	74 times
Underlying Net Profit	1,650	1,275	29%	1,000	790	27%
Net Revaluation Gain*	866	2,143	(60%)	578	1,111	(48%)
Net Profit Attributable to Shareholders	2,516	3,418	(26%)	1,578	1,901	(17%)
Earnings per Share (HK\$)	0.56	0.80	(30%)	1.17	1.41	(17%)
Dividend (HK cents)	#36.0	^17.0	112%	#38.0	^19.0	100%

*This represents revaluation gain of investment properties after deducting related deferred tax and non-controlling interests.

#Final Dividend

^Interim Dividend for the period of July to December 2010

Hang Lung Properties Limited (Stock Code : 101)

- For the six-month period ended December 31, 2011, underlying net profit attributable to shareholders of Hang Lung Properties increased by 29% to HK\$1,650 million. Total turnover rose by 22% to HK\$3,069 million.
- Property leasing achieved strong results with rental turnover and profits both increased by 14% and 11% to HK\$2,876 million and HK\$2,301 million, respectively.
- Rental turnover and profit generated from our Hong Kong investment properties grew 7% and 8% to HK\$1,483 million and HK\$1,229 million, respectively.
- Our mainland China properties had impressive performance as rental turnover and profits increased by 23% and 15% to HK\$1,393 million and HK\$1,072 million, respectively. The shopping malls at Plaza 66 and Grand Gateway 66 in Shanghai delivered again remarkable results. Parc 66 in Jinan was opened in August 2011 with 100% occupancy.
- Two flats at The HarbourSide were sold at average unit price of approximately HK\$44,000 per square foot, recording a profit of HK\$150 million.
- Increase in fair value of investment properties amounted to HK\$964 million compared to HK\$2,297 million of corresponding period.
- As a smaller net revaluation gain was recognized this period, total net profit attributable to shareholders decreased by 26% to HK\$2,516 million.
- In September 2011, we acquired a prime site in Kunming for RMB3,497 million. The plot of land will be developed into world class shopping center, office towers and serviced apartments with total gross floor area of 401,000 square meters for long term investment.
- As of December 31, 2011, we maintained a strong balance sheet with cash and deposits amounting to HK\$23,732 million. Deducting bank borrowings of HK\$20,734 million, we had net cash of HK\$2,998 million after full payment of land price of Kunming project.
- The shopping mall at Forum 66 in Shenyang has entered completion phase. Pre-leasing activities are underway for its opening in the fourth quarter of 2012. Other existing projects on the Mainland have been progressing well.

The press release is available for download from Hang Lung Website at www.hanglung.com

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Hang Lung Group Limited (Stock Code : 10)

- For the six-month period ended December 31, 2011, underlying net profit attributable to shareholders of Hang Lung Group increased by 27% to HK\$1,000 million. Total turnover rose by 21% to HK\$3,361 million.
- Property leasing achieved strong results with rental turnover and profits both increased by 14% and 11% to HK\$3,168 million and HK\$2,503 million, respectively.
- Rental turnover and profit generated from our Hong Kong investment properties grew 7% and 8% to HK\$1,564 million and HK\$1,290 million, respectively.
- Our mainland China properties had impressive growth as rental turnover and profits increased by 21% and 14% to HK\$1,604 million and HK\$1,213 million, respectively. The shopping malls at Plaza 66 and Grand Gateway 66 in Shanghai delivered again remarkable performance. Parc 66 in Jinan was opened in August 2011 with 100% occupancy.
- Two flats at The HarbourSide were sold at average unit price of about HK\$44,000 per square foot, posting a profit of HK\$150 million.
- Increase in fair value of investment properties reached HK\$953 million compared to HK\$2,357 million of corresponding period.
- As a result of smaller net revaluation gain recorded in this period, total net profit attributable to shareholders decreased by 17% to HK\$1,578 million.
- In September 2011, we acquired a prime site in Kunming for RMB3,497 million. The plot of land will be developed into world class shopping center, office towers and serviced apartments with total gross floor area of 401,000 square meters for long term investment.
- As of December 31, 2011, we had cash and deposits of HK\$26,149 million. Deducting bank loans of HK\$27,694 million, the gearing ratio stayed at a low level of 1% after full payment of land price of Kunming project.
- The shopping mall at Forum 66 in Shenyang has entered completion phase. Pre-leasing activities are underway for its opening in the fourth quarter of 2012. Other existing projects on the Mainland have been progressing well.

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