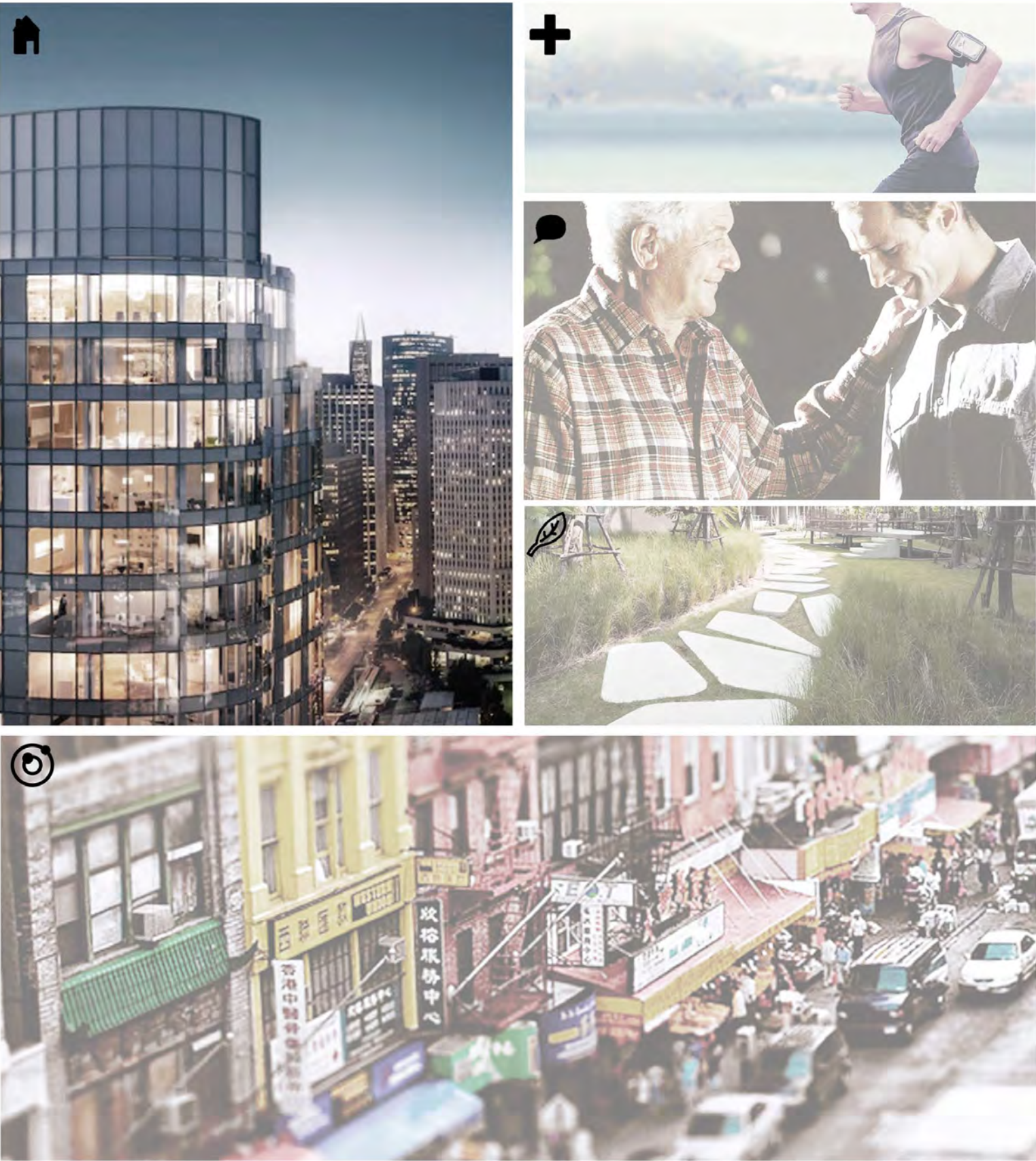




LIVALL GLOWORK — CITY LEVERAGE














LIVEABILITY FOR ALL LOCALLY



GLOWING THROUGH GLOBAL ENVIRONMENT WORKING



PROJECT SUMMARY

Existing			Now
Total Project GFA			
70,175 SF			263,430 SF
Green Open Space			
0 SF	•		1,880 SF
Residential for Sale			
0 Units	•		135 Units
Apartment for Rent			
51 Units			105 Units
Office Building			
0 SF	•		102,000 SF
Commercial & Service			
15,216 SF			13,350 SF
Global / Local Programs			
90% / 5%			55% / 40%
Monetary Profit (10 years)			
N/A	•		543,115,025 HKD
Intangible Asset (10 years)			
0 HKD	•		71,484,469HKD

STAR STREET COMMUNITY IN FUTURE: A LIVABLE & GLOWING GLOCAL PLACE

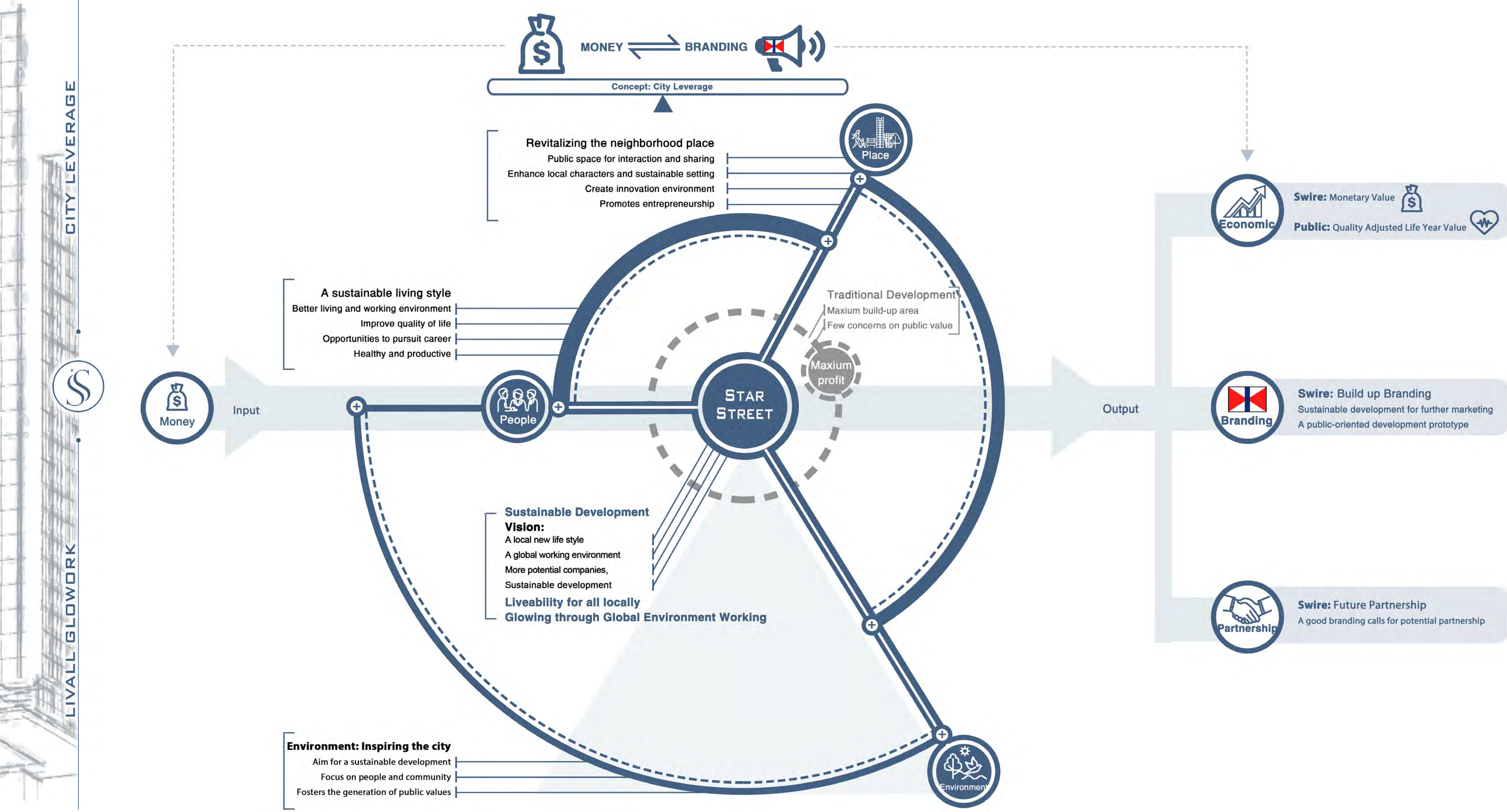
CITY LEVERAGE



LIVALL GLOWORK



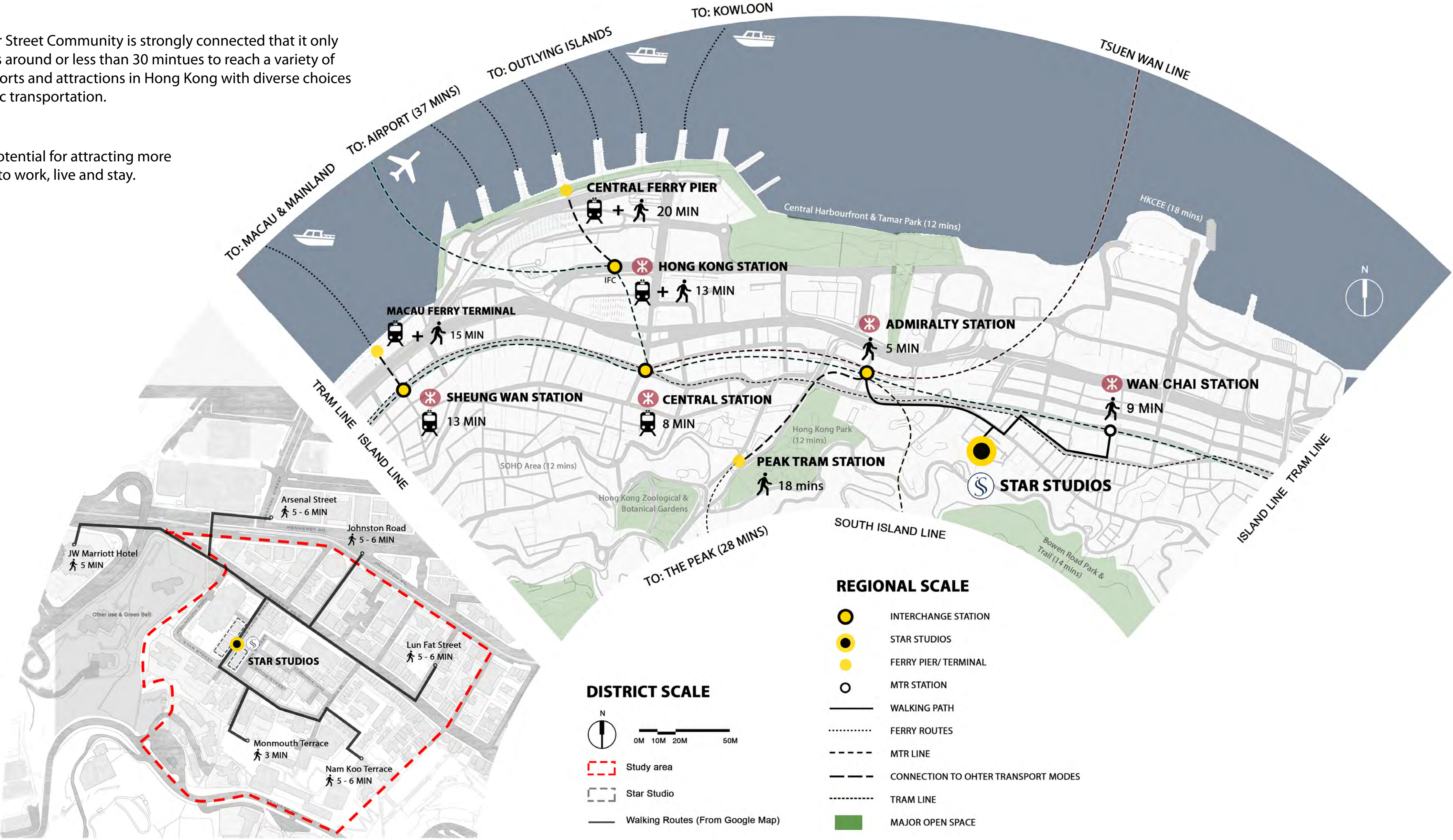
LIVEABILITY FOR ALL LOCALLY · GLOWING THROUGH GLOBAL WORKING ENVIRONMENT



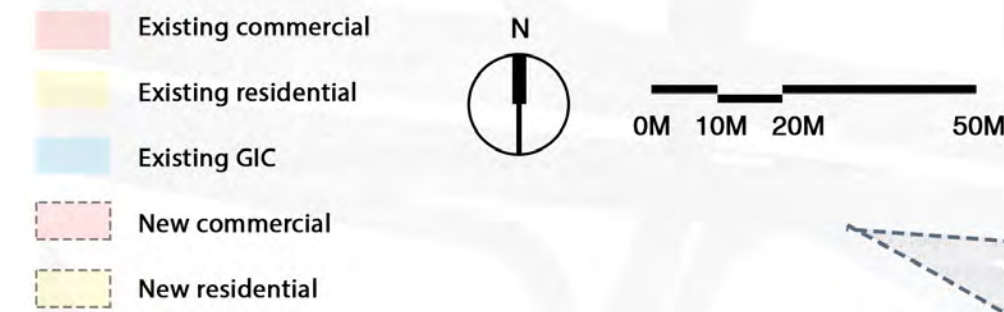
SITE OVERVIEW: SUPER-CONNECTED TO MAJOR PORTS & ATTRACTIONS

The Star Street Community is strongly connected that it only requires around or less than 30 minutes to reach a variety of major ports and attractions in Hong Kong with diverse choices of public transportation.

Great potential for attracting more people to work, live and stay.



DEMOGRAPHY: A FAIRLY WELL-OFF LOCAL COMMUNITY



Working place character

New Commercial Area More people will work here
Site area: 630 m²
Limited height: 120m



Pacific Place III

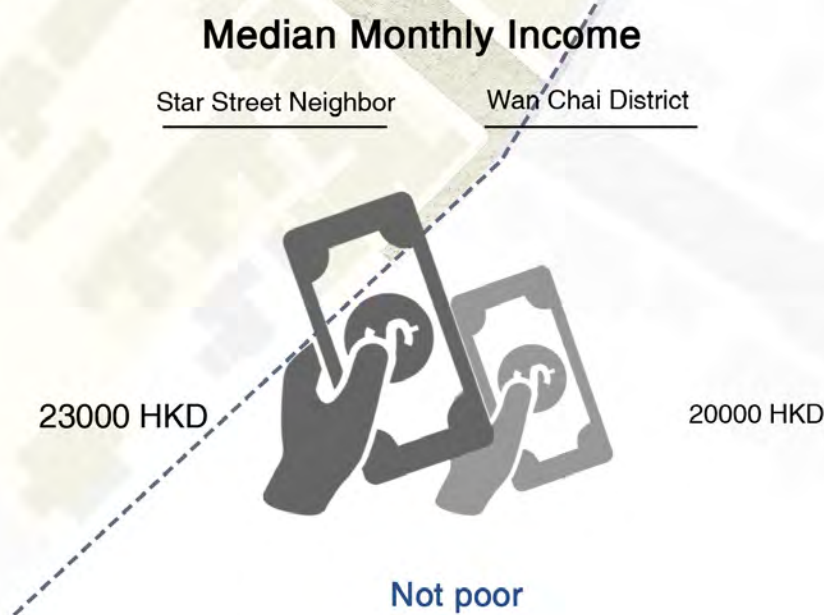
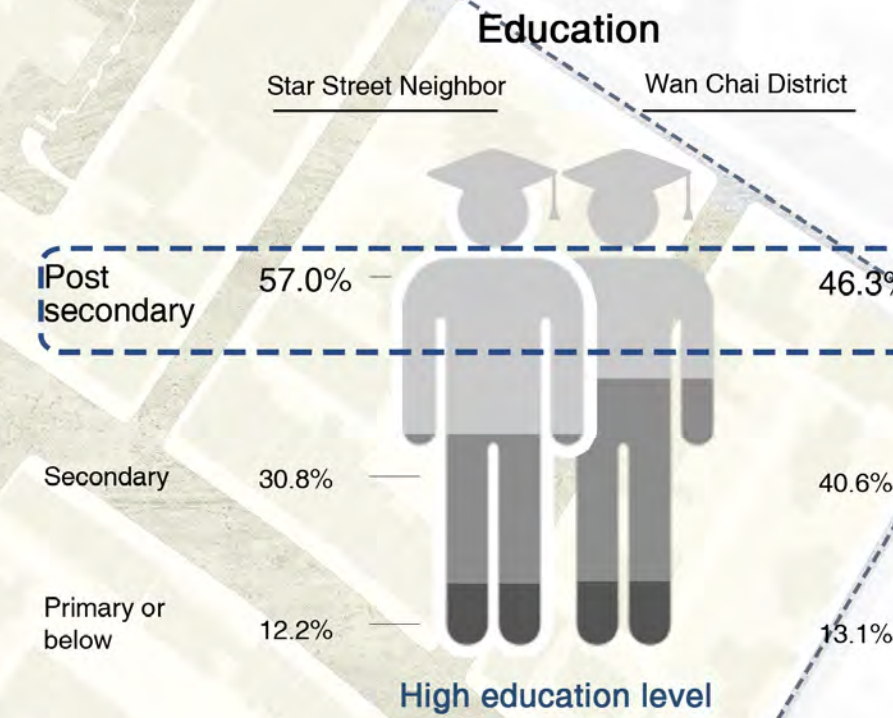
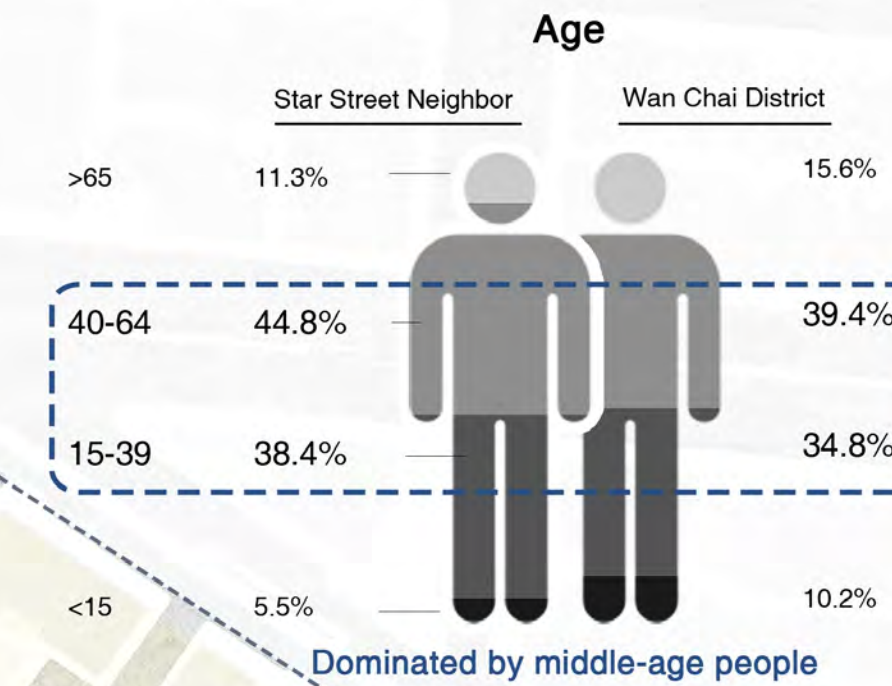
Floor Area: 1600 m²
Height: 182m
Gross Floor Area: 58000 m²
Office Floor: 34
Tenants (Partners):

	(Paris, France)
	(Chicago, Illinois, United States)
	(New York, United States)
	(Utrecht, Netherlands)
	(Shenzhen, China)
	(Seoul, South Korea)
	(San Francisco, California)
	(Amsterdam, Netherlands)
	(Hong Kong)

Most offices are rented by global companies

- Target:**
1. Middle-age **local couples** who rent apartments within community
 2. **Global employees** working here
 3. Potential **small or start-up companies** renting office here

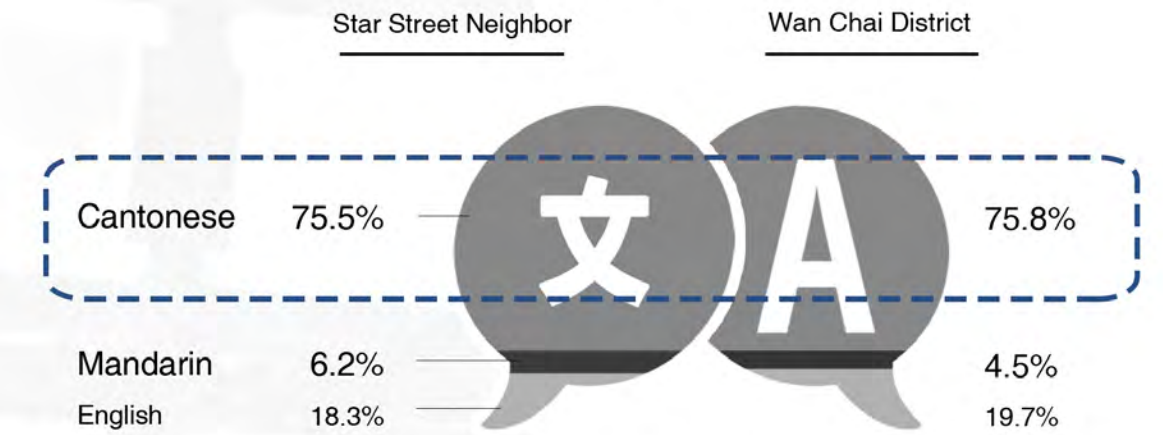
Residential character



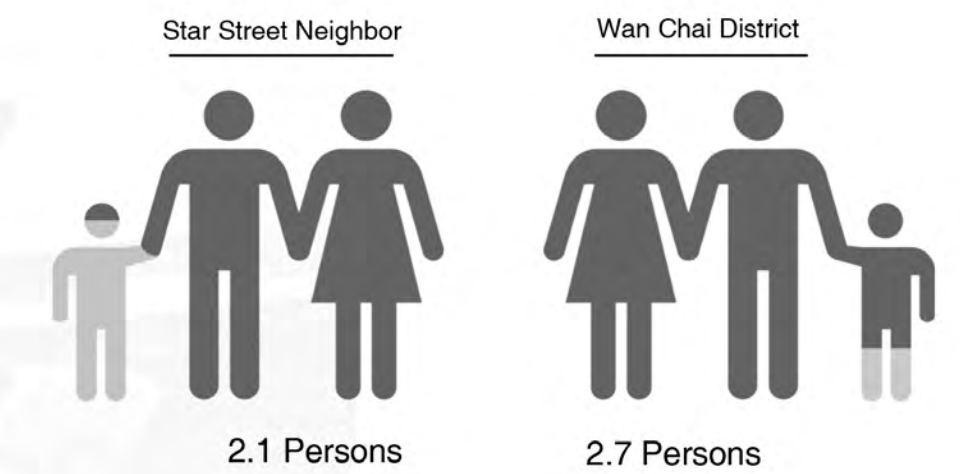
What can we do for them, for community and for city:

1. Improve **living and working environment**
2. **Vibrant community** providing public space and diverse activities
3. **A sustainable development**

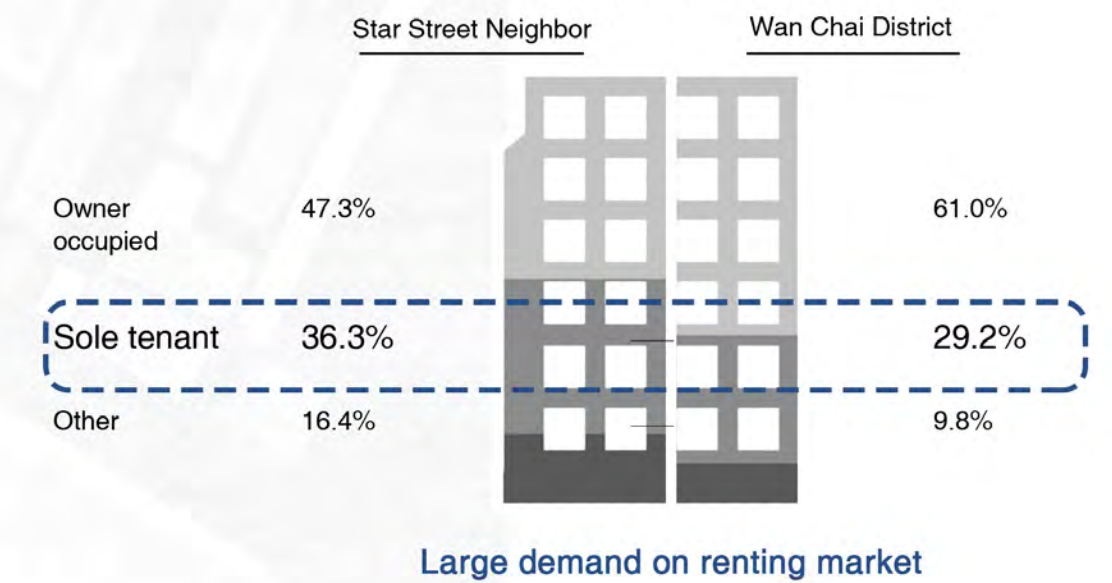
Language



Average Household Size



Accommodation

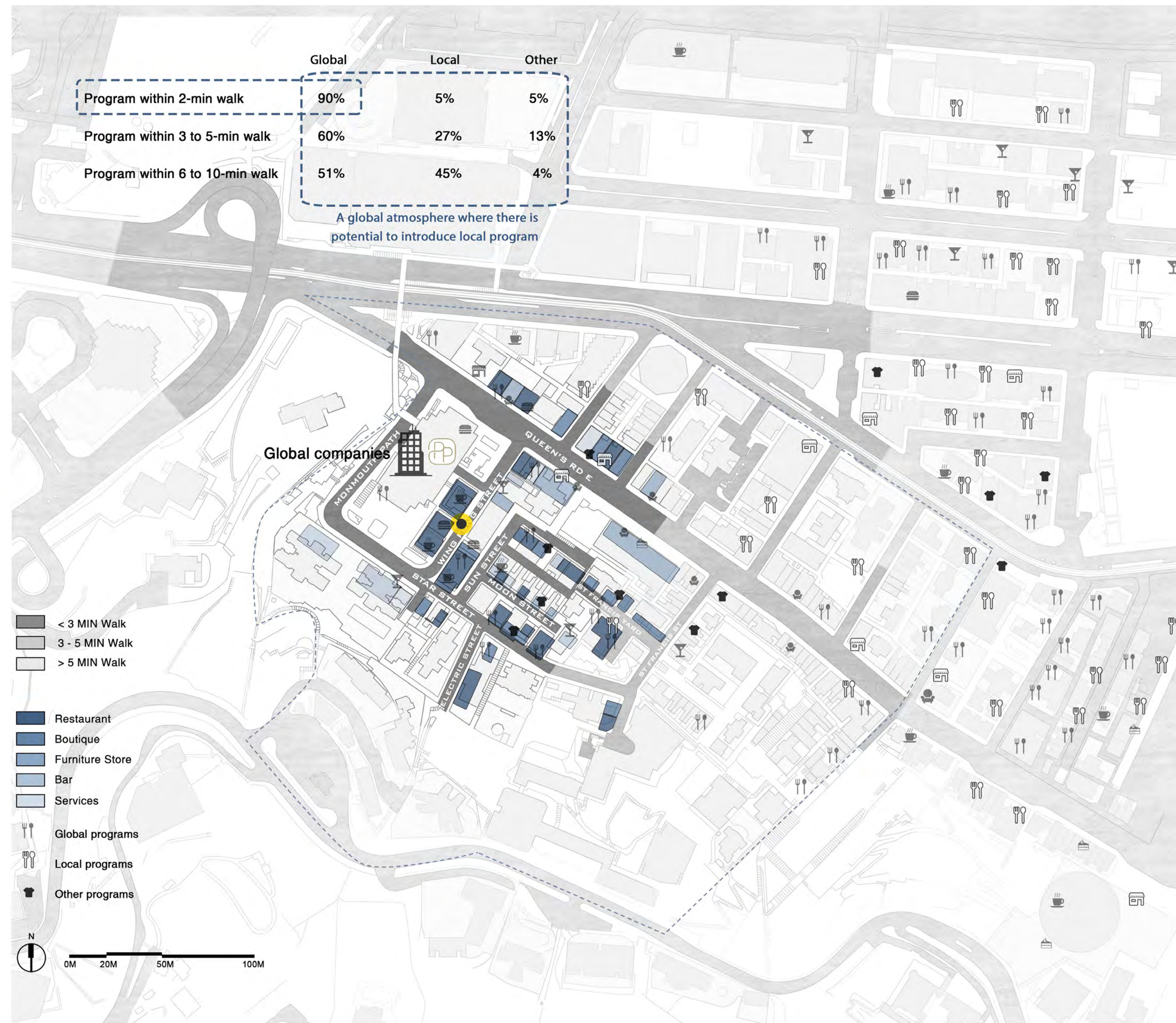


OPPORTUNITY 1: SERVE GLOBAL WORK & PROMOTE LIFE LOCALLY

CITY LEVERAGE



LIVALL GLOWORK



- Make good use of the global atmosphere for start-up business
- Introduce diverse programs to promote enjoyable daily life to the stakeholders in Star Street neighborhood

Benefit:

Start-up business:

Proximate to global companies and have a higher chance to run a successful business through inspiration from global atmosphere

Local:

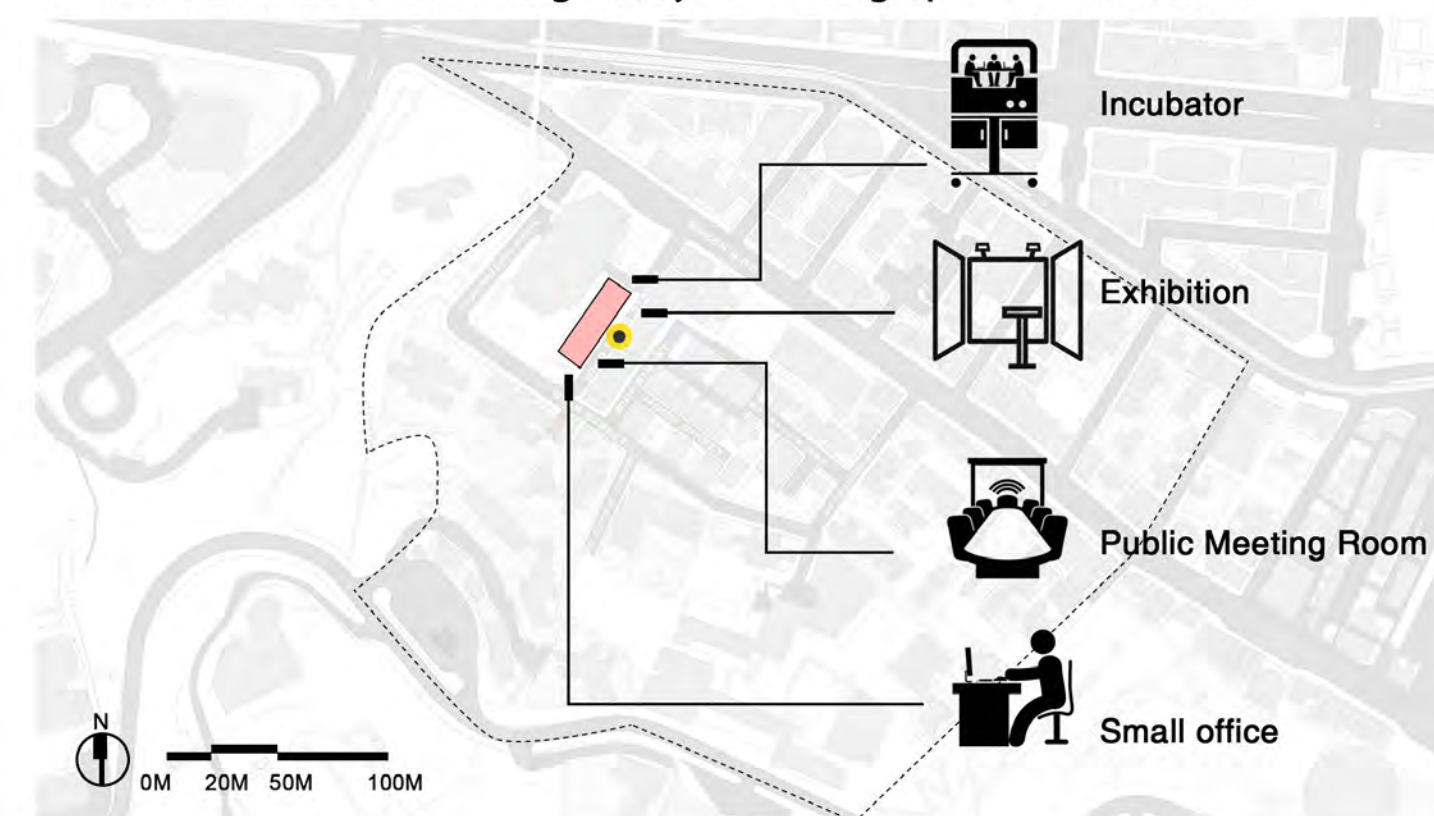
Provide livable life for residents locally by diverse and affordable programs within 5 minutes' walk

Swire:

Attracting more potential start-up business to rent office
Attracting more potential residents to move into the community

Option:

For new commercial building: ready for setting up incubator centre



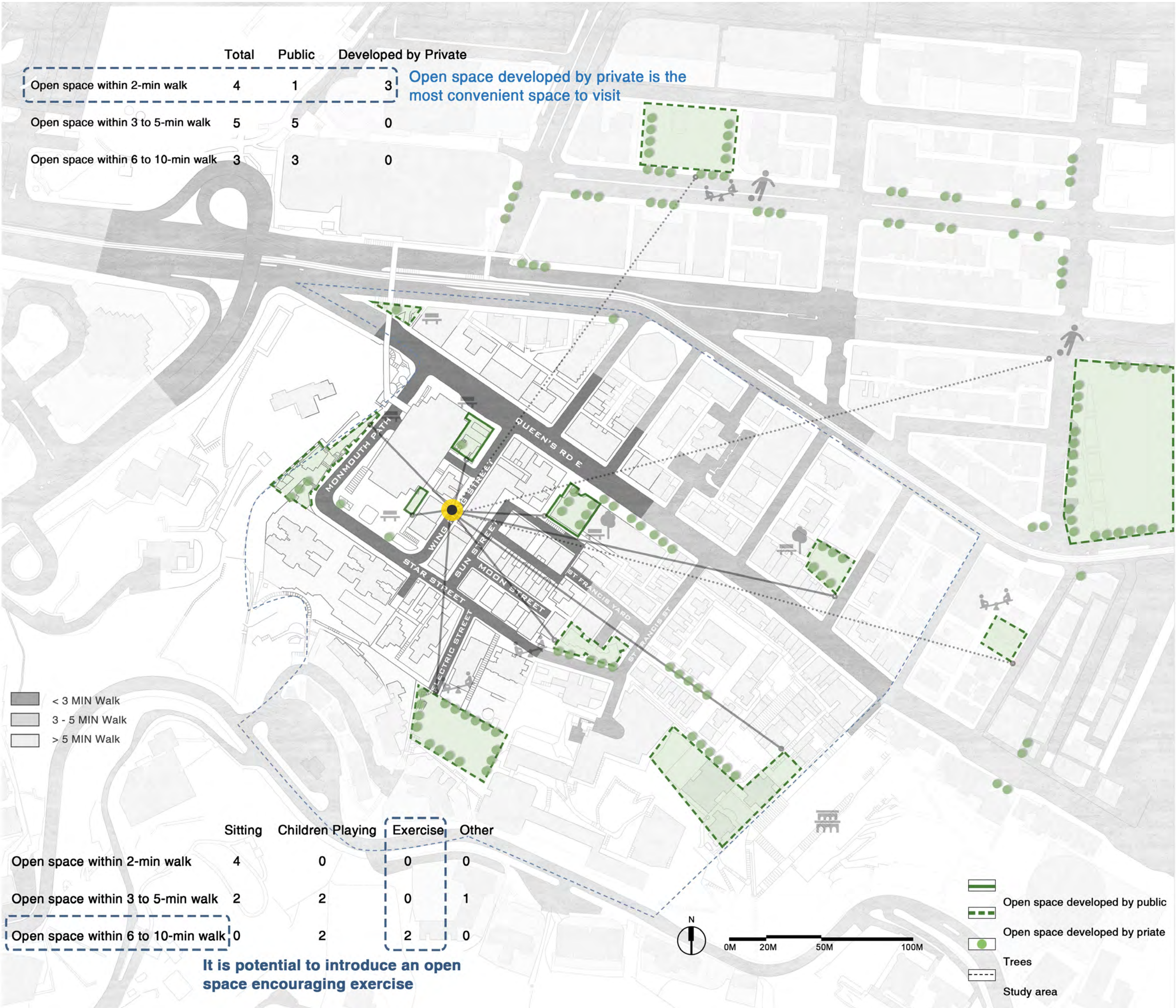
For new residents: Introduce diverse and affordable brands around



PARTNERS



OPPORTUNITY 2: DEVELOPE NEW OPEN SPACE FOR PHYSICAL EXERCISE & GREENER VIEW



Encourage people to get exercises
Achieve sustainability

Benefit:
Individual and community

· Create values based on the quality adjusted life year (QALY)

Variables	Annual value add per person
Physical exercise +3 hours of vigorous activity / week	£12-£39
Having a view of greenspace from your house	£135-£452
Use of own garden weekly or more	£171-£575
Use of noncountryside green space monthly or more	£112-£377

PS: Monetary values of a QALY ranging from £6,414 to £21,519.
Source: Economic Benefits of Greenspace & Economic Analysis of Cultural Services Executive Summary

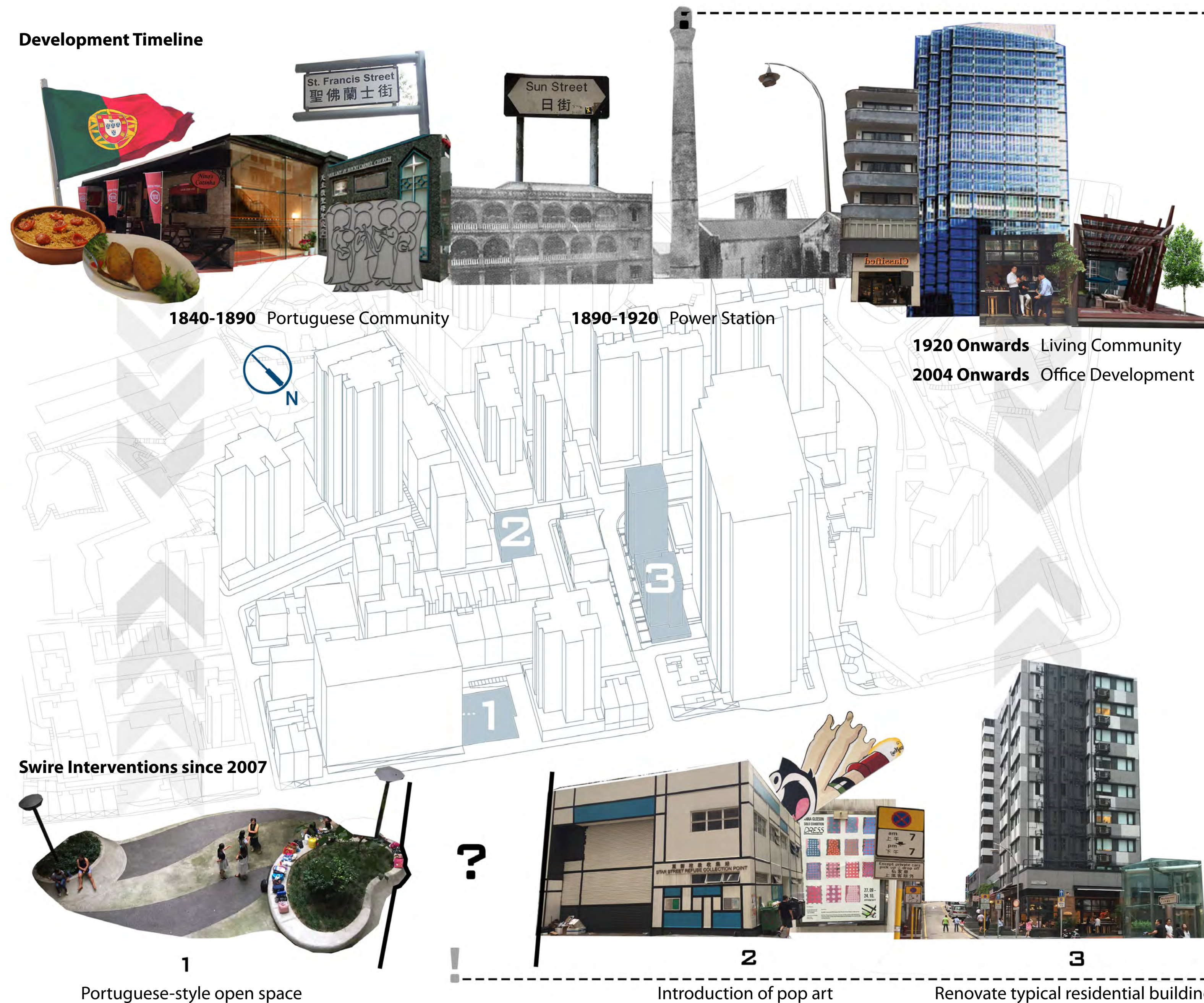
Swire: Branding
· Improve social interaction

Option:
The new park will be an attractive destination
Use tree canopy to connect other open spaces

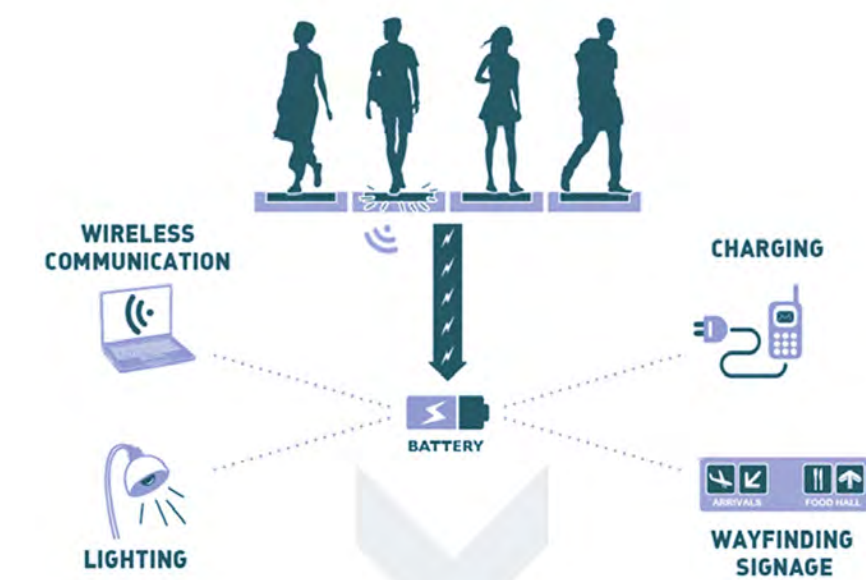


OPPORTUNITY 3: MAKE PLACE WITH HISTORY & CULTURE

Development Timeline

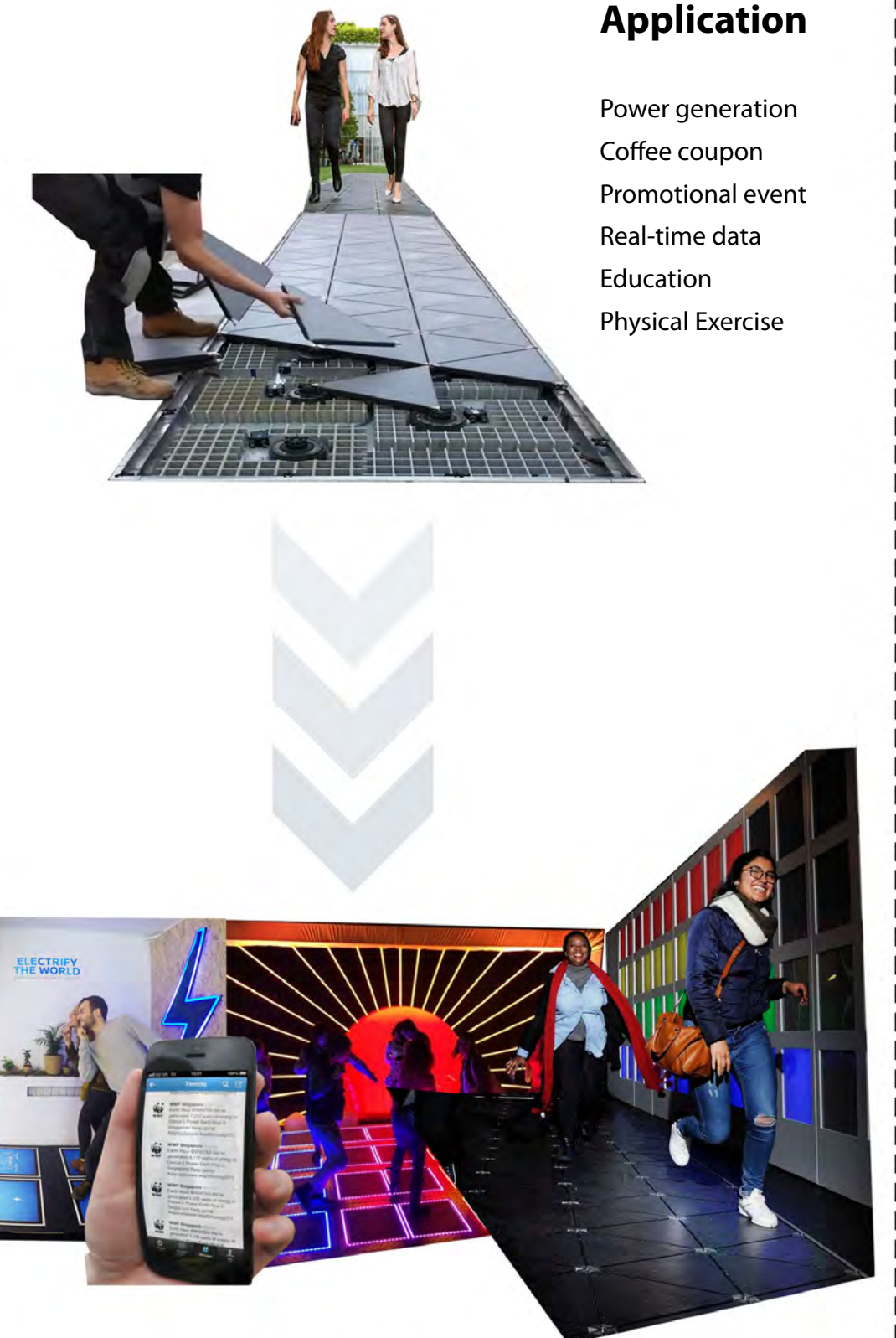


Electricity-themed High-tech Park



Application

- Power generation
- Coffee coupon
- Promotional event
- Real-time data
- Education
- Physical Exercise

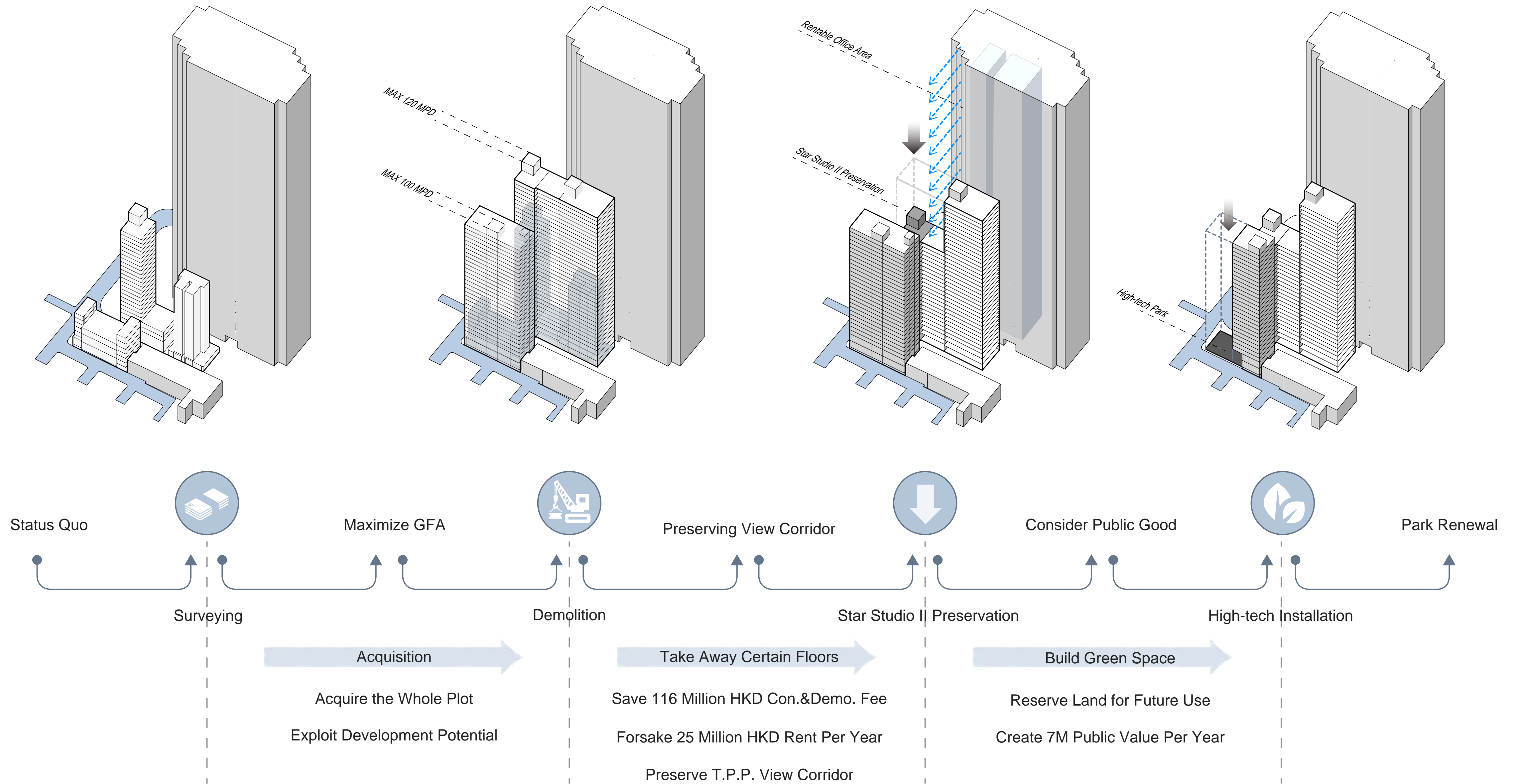


OPPORTUNITY 4: FROM PRIVATE-ORIENTED TO PUBLIC-ORIENTED ARCHITECTURE

CITY LEVERAGE



LIVALL GLOWORK



ECONOMIC

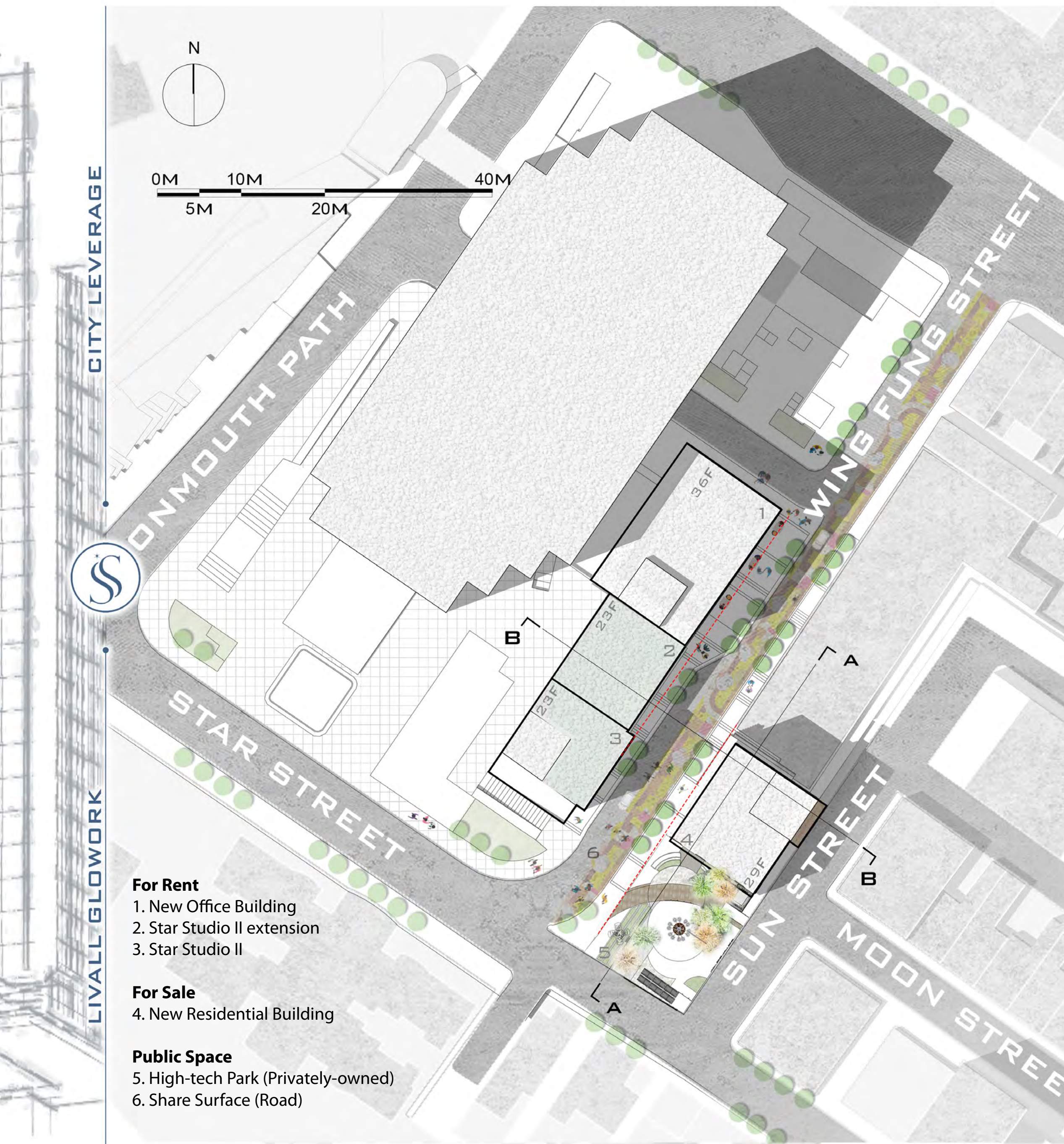
THE PROPOSED STARTSTREET PERCINCT

CITY LEVERAGE



LIVALL GLOWORK





Enjoy a summer breeze



Permeable corrdior; Shopping; Dining; Resting;

Enjoy an exuberant night life



Exercising; Rock-climbing; Watching Movie; Sliding; Resting

STANDARD FLOOR PLAN

CITY LEVERAGE



LIVALL GLOWORK



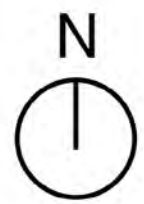
0 1 2 3 4 5M

COMMERCIAL FLOOR PLAN

CITY LEVERAGE

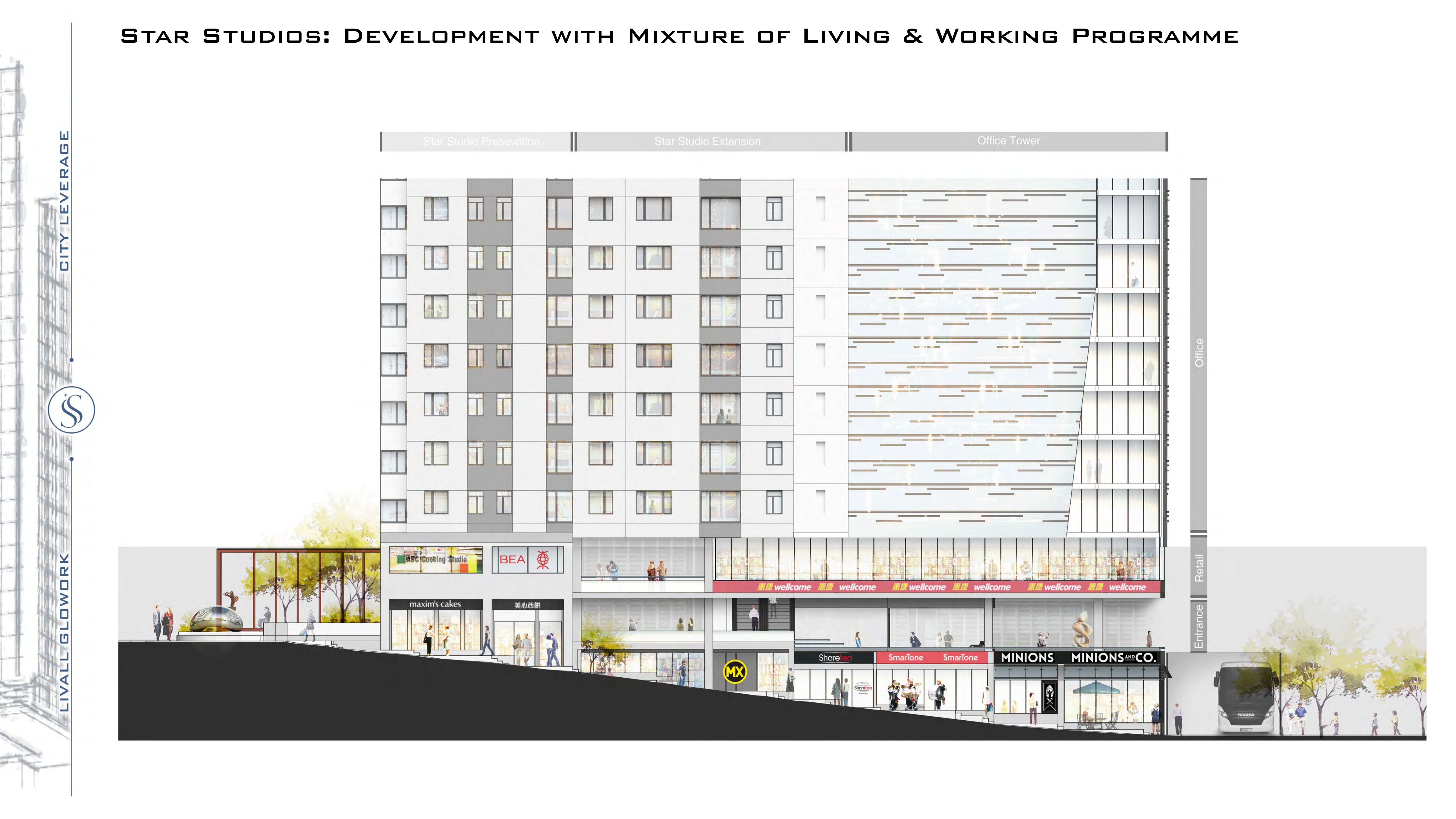


LIVALL GLOWORK



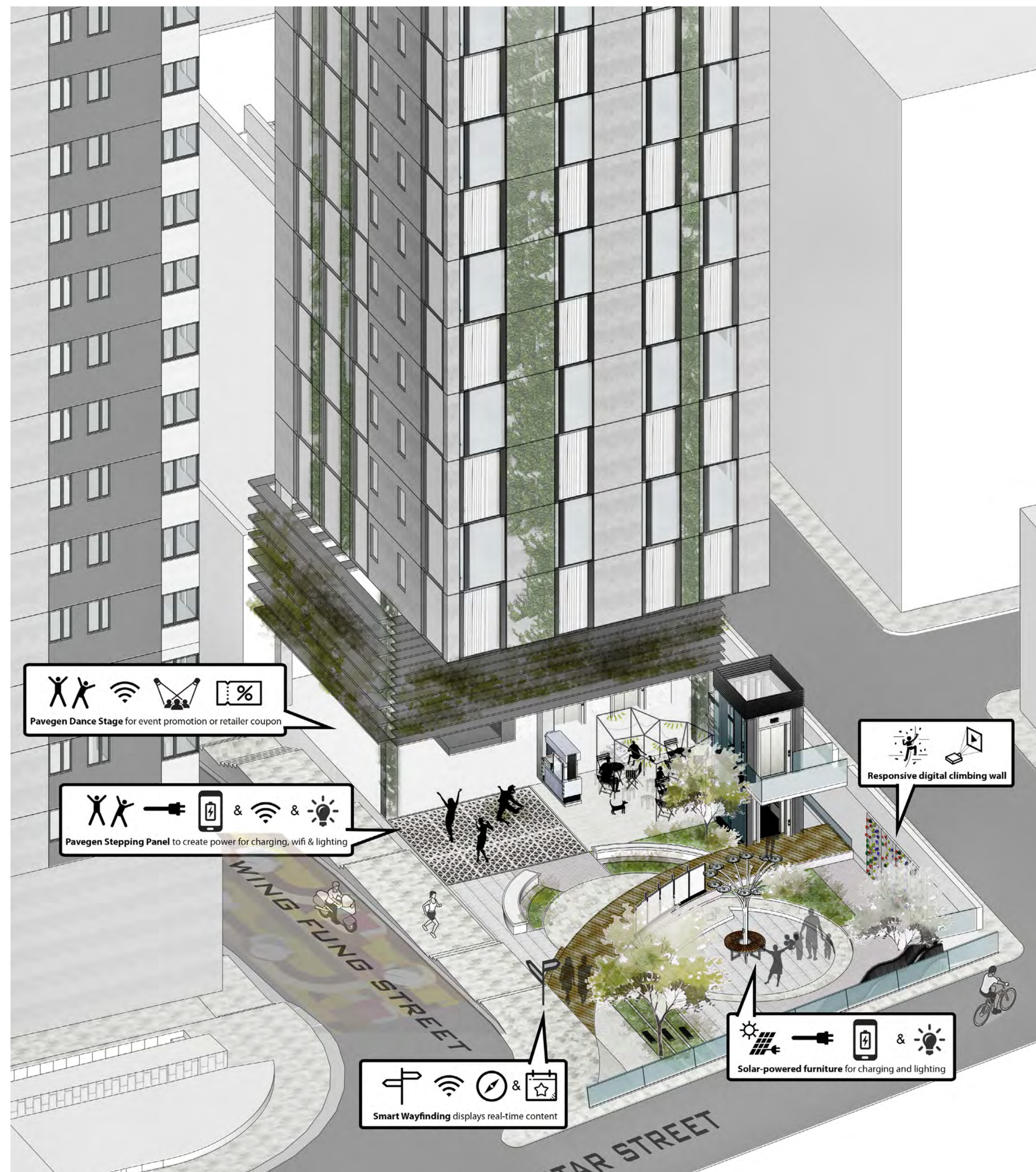
0 1 2 3 4 5M

STAR STUDIOS: DEVELOPMENT WITH MIXTURE OF LIVING & WORKING PROGRAMME





HIGH-TECH PARK FOR GENERATING ELECTRICITY & CREATING QALY VALUE



High-tech Exercise Zone

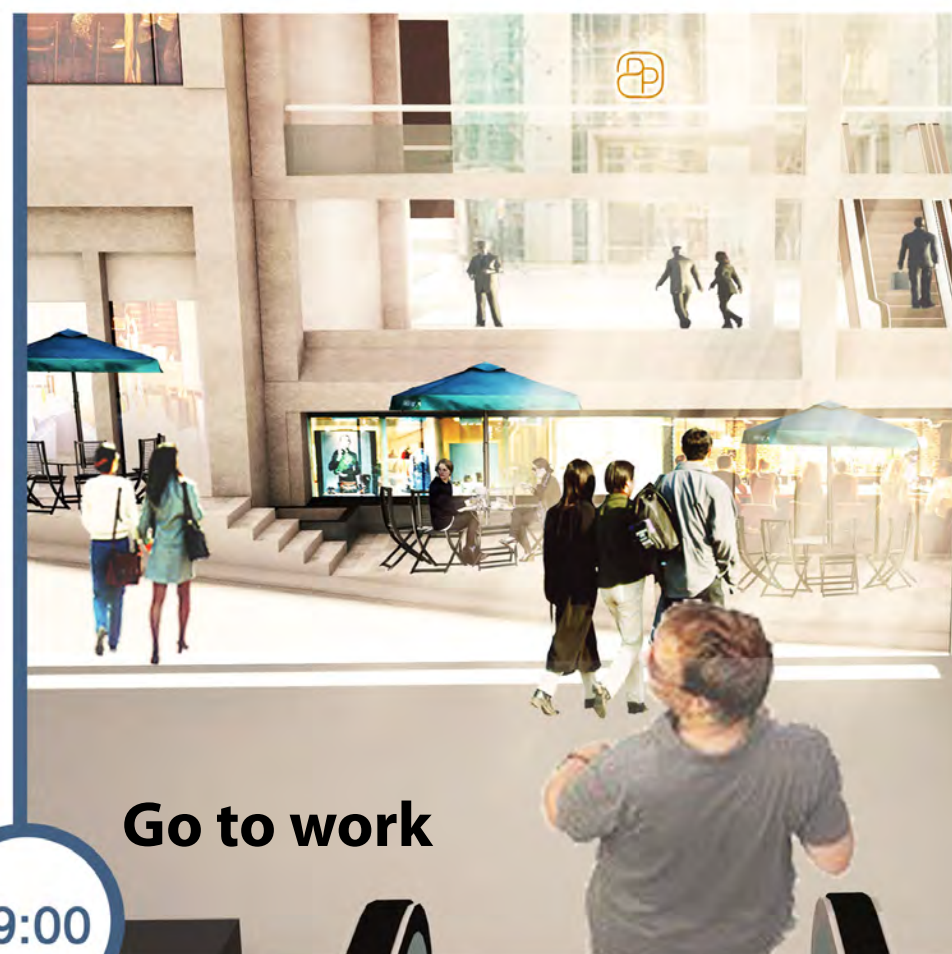
Energy and real-time data are generated when visitors step on the Pavegen. Visitors can download mobile app to keep track on their activities and gain the reward like coupon for their contribution to the community's power supply. Such interaction might encourage people to exercise & engage.



Ever-changing Public Space & Inviting View

This park can accommodate different activities, such as art festival, throughout a year. The existing and potential stakeholders can enjoy a great view from their home or workplace. It not only increases the overall property value but also improves their well-being because of the inviting landscape.





Go to work

09:00

Smart Gateway: I can get all the info

Present

10:30

Inspiration Lobby: I present my proposal here

Lunch

12:30

Food & Beverage Zone: So delicious!

DAILY ROUTINE IN THE STAR STUDIO COMMUNITY

Learning Workshop: I try something new here

19:30

Join cooking workshop

**Wing Fung Street:** What an amazing street parade

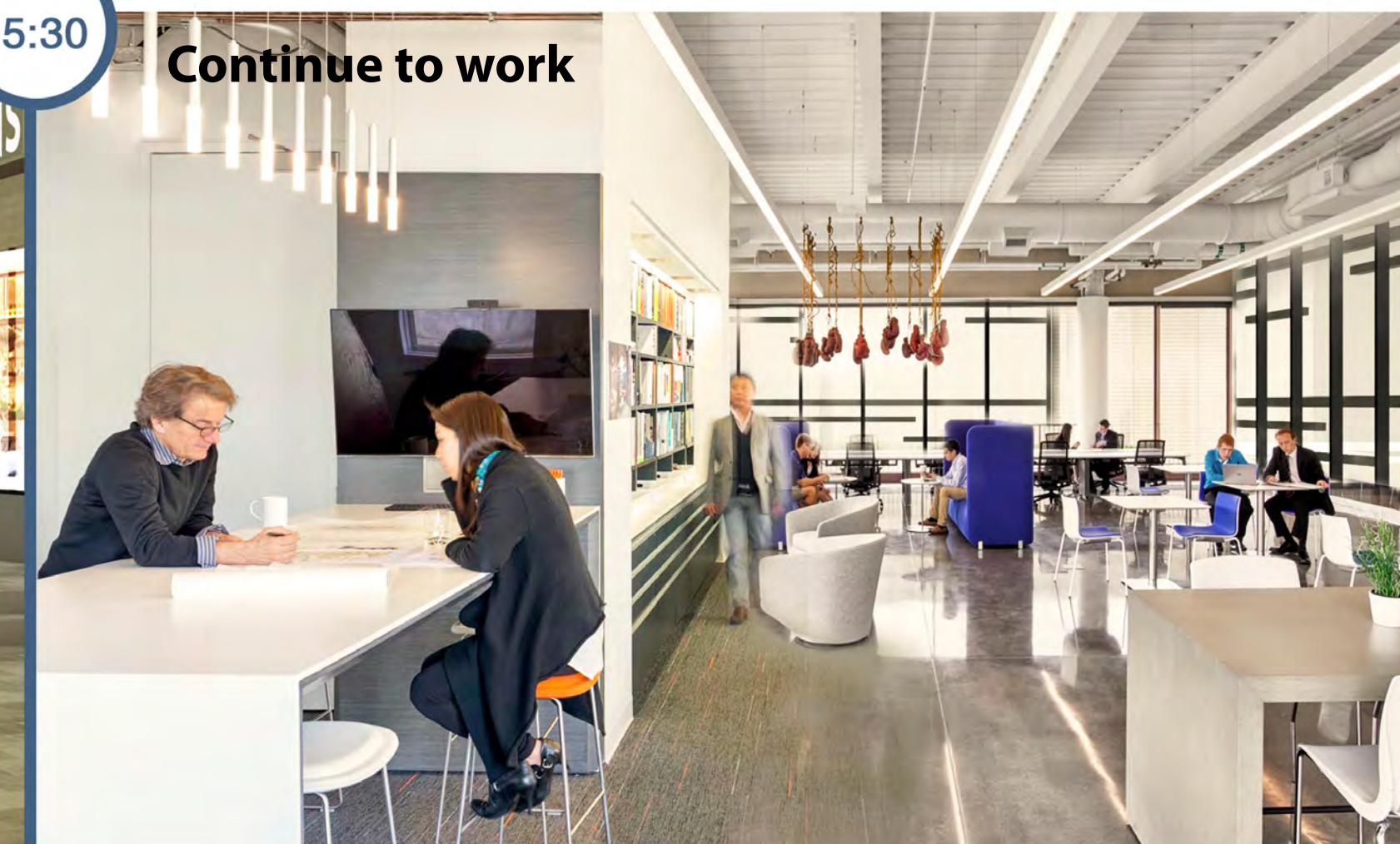
18:00

After work

**Start-up Office Space:** I get help from global expert

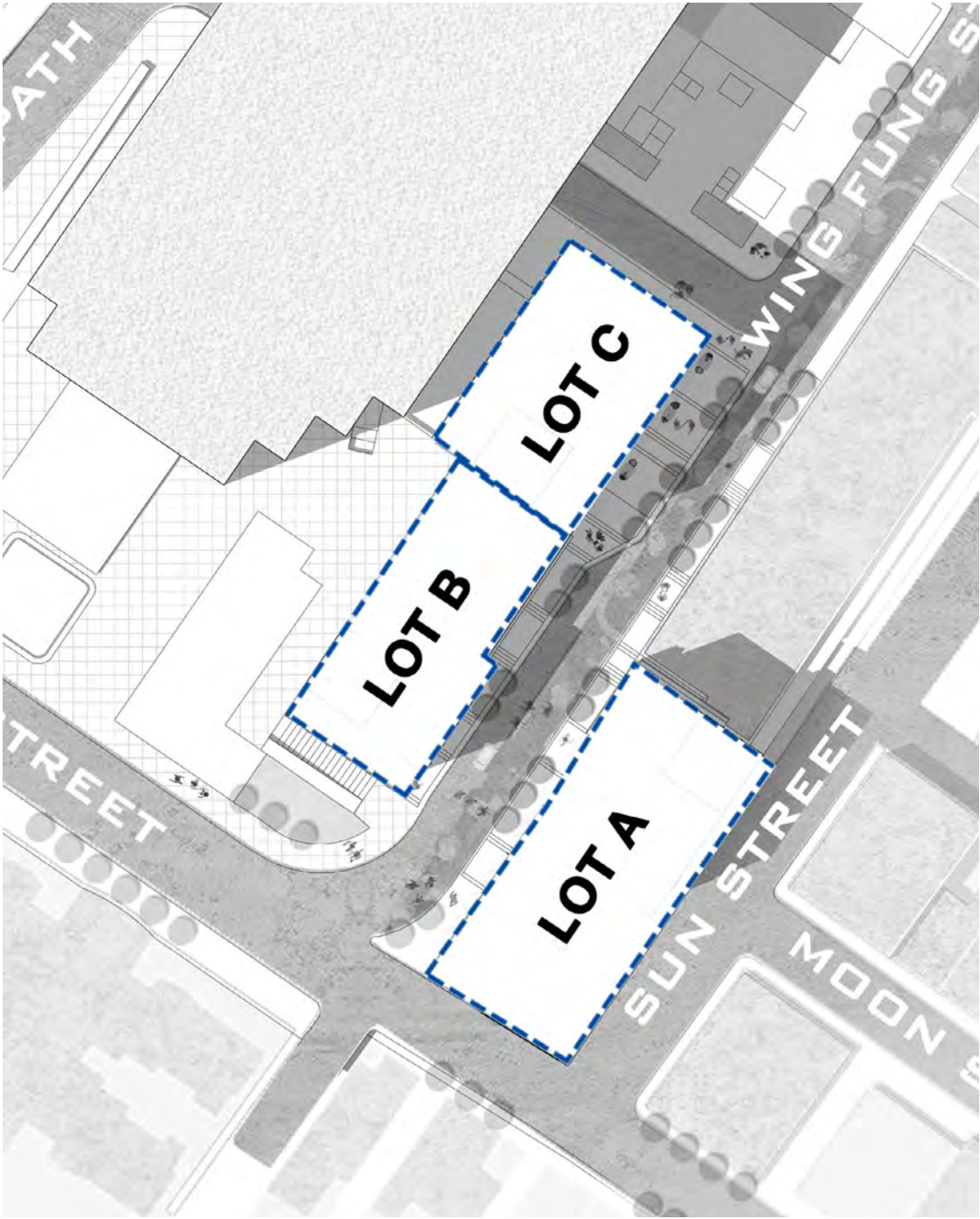
15:30

Continue to work





FINANCIAL PLAN



Assumption

LOT A FINANCING		
AQISSION LOAN		
LTC		40.00%
Index	n/a	0.85%
Spread		5.00%
Interest Rate		5.85%
Amortization		Interest Only
Term		n/a
DSCR		n/a
Origination Fee		1.00%

LOT A FINANCING		
CONSTRUCTION LOAN		
LTC		40.00%
Index	HIBOR 12mo	0.85%
Spread		3.50%
Interest Rate		4.35%
Amortization		Interest Only
Term		n/a
DSCR		n/a
Origination Fee		1.00%

OTHER	
Closing Costs	5.00%
Construction Duration	24.00
Demolition Costs	825 / GSF
Market Rent Growth	3.30%
Expense Growth	2.50%
Expense Ratio	20.00%

LOT B&C FINANCING		
AQISSION LOAN		
LTC		60.00%
Index	n/a	0.85%
Spread		5.00%
Interest Rate		5.85%
Amortization		Interest Only
Term		n/a
DSCR		n/a
Origination Fee		1.00%

LOT B&C FINANCING		
CONSTRUCTION LOAN		
LTC		60.00%
Index	HIBOR 12mo	0.85%
Spread		3.50%
Interest Rate		4.35%
Amortization		Interest Only
Term		n/a
DSCR		n/a
Origination Fee		1.00%

LOT B&C FINANCING		
PERMANENT LOAN		
LTV		48.0%
Index	HIBOR 12mo	0.85%
Spread		3.00%
Interest Rate		3.85%
Amortization		20
Term		20
DSCR		1.25
Origination Fee		1.00%

Stacking Plan

ZONING / DENSITY		PROGRAM DISTRIBUTION					
Lot A Size	3,770	Use	Floor	Gross Area	Net Area	Efficiency	
Lot A Coverage	50%	Residential	UG	400	0	0%	
Lot A Coverage Area	1,885	Residential	1-2	400	0	0%	
Allowable Zoning Area	104,660	Residential For Sell	3-29	1,880	1,500	80%	
Total Construction Area	51,560	High Quality Public Space	1	1,880	1,880		
Unbuilt Zoning Area	53,100						

ZONING / DENSITY		PROGRAM DISTRIBUTION					
Lot B Size	2,960	Use	Floor	Gross Area	Net Area	Efficiency	
Lot B Coverage	95%	Newly Built Retail	UG	1,450	1,350	93%	
Lot B Coverage Area	2,800	Preserved Retail	UG	1,378	990	72%	
Allowable Zoning Area	106,400	Newly Built Retail	1-2	1,450	1,350	93%	
Total Construction Area	61,446	Preserved Retail	1-2	1,378	990	72%	
Unbuilt Zoning Area	44,954	Star Studio Extension	3-23	1,350	1,280	95%	
		Preserved Star studio	3-23	1,172	785	67%	

ZONING / DENSITY		PROGRAM DISTRIBUTION					
Lot C Size	3,230	Use	Floor	Gross Area	Net Area	Efficiency	
Lot C Coverage	93%	Retail	UG	3,000	1,950	65%	
Lot C Coverage Area	3,000	Retail	1	3,000	2,400	80%	
Allowable Zoning Area	114,000	Retail	2	3,000	1,800	60%	
Total Construction Area	114,000	Retail	3	3,000	2,700.00	90%	
Unbuilt Zoning Area	0	Office	4-37	3,000	2,400	80%	

Lot A Proforma

GROSS AREA				NET AREA			
Residential for sell	50,760			Residential for sell	40,500		
High quality public space	1,880			High quality public space	1880		
SOURCES							
Developer Equity	1,093,416,198	60.0%					
Construction Loan	83,778,028	4.6%					
Acquisition Loan	645,166,104	35.4%					
SALES PROJECTION							
Residential Sales	1,928,880,000	38,000 / NSF		Gross Sales	1,928,880,000	38,000 / NSF	
				Less Sales Commission	(96,444,000)	5%	
				Net Sales	1,832,436,000		
PROJECT COST				FINANCIAL COST			
Acquisition	1,569,900,000	15,000 / GSF		Interest Carry	40,303,349		
Demolition Costs	11,550,000	825 / GSF		Origination Fee	7,117,380		
Open space Hard cost	15,040,000	8,000 / GSF					
Residential Hard Costs	157,920,000	3,000 / GSF					
Soft Costs	7,896,000	5%					
Contingency	12,633,600	8%					
Total Project Costs					1,822,360,329		
PROFIT / RETURNS							
Net Sales	1,928,880,000			Equity Multiple	1.10		
Less Project Cost	(1,822,360,329)						
Net Profit	106,519,671						

Lot B & C Proforma

GROSS AREA							
Retail	14,484			Office	102,000		
Rental Apartment	52,962						
NET AREA							
Retail		15,870		Office	81,600		
Rental Apartment		43,365					
SOURCES							
Developer Equity	1,598,262,637	40.0%		Acquisition Loan	2,065,125,960	51.7%	
Construction Loan	332,267,995	8.3%					
RENTAL PROJECTION (STABILIZED YEAR)							
Residential Rent	52,038,000	1,200 / NSF		Less Vacancy / Credit Loss	8,088,420	4%	
Retail Rent	27,772,500	1,750 / NSF		Effective Gross Rent	194,122,080		
Office Rent	122,400,000	1,500 / NSF		Office Operating Expenses	35,251,200	30%	
Gross Potential Rent	202,210,500			Residential\Retail\ Expenses	6,129,446	8%	
				Net Operating Income	152,741,434		
				MORTGAGE SERVICE			
Acquisition	3,306,000,000	15,000 / GSF		Permanent Loan Debt Service	(113,556,993)		
Demolition Costs	22,041,525	825 / GSF		Debt Service Coverage Ratio	1.35		
Renovation cost	30,183,300	1,050 / GSF					
Office Hard Costs	306,000,000	3,000 / GSF					
Retail Hard Cost	28,968,000	2,000 / GSF					
Rental Residential Hard Cost	93,555,000	3,300 / GSF					
Soft Costs	21,426,150	5%					
Contingency	34,281,840	8%					
Interest Carry	130,042,097						
Origination Fee	23,158,680						
Total Project Costs	3,995,656,592						
PROFIT / RETURNS				CASH POSITIVE			
Yield on Cost	2.5%			Leveraged Operating Cashflow	39,184,441		
				Original Equity Investment	1,598,262,637		

FINANCIAL PLAN

Cash Flow

Final Result

PROJECT PHASE	Lot A Demolition	LOT A Construction	LOT A/B/C Construction	LOT B/C Construction	Stabilization	Operation	Operation	Operation	Operation	Operation	Operation
Lot B&C Demolition			Lot A Sale		Lot A Sale	Lot A Sale	Lot B&C Sale				
DEVELOPMENT CAPITAL EVENTS	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028
Land Purchase	(1,612,915,260)	(3,441,876,600)	-	-	-	-	-	-	-	-	-
Acquisition Equitiy Proceeds	967,749,156	1,376,750,640	-	-	-	-	-	-	-	-	-
Acquisition Loan Proceeds	645,166,104	2,065,125,960	-	-	-	-	-	-	-	-	-
Construction Costs	-	(104,722,535)	(381,612,531)	(276,889,996)	-	-	-	-	-	-	-
Demolition Cost	(11,550,000)	(22,041,525)	-	-	-	-	-	-	-	-	-
Construction Equity Proceeds	11,550,000	84,875,046	173,589,519	110,755,998	-	-	-	-	-	-	-
Lot A construction Loan Proceeds	-	41,889,014	41,889,014	-	-	-	-	-	-	-	-
Lot B&C Construction Loan Proceeds	-	-	166,133,998	166,133,998	-	-	-	-	-	-	-
Lot A Acquisition Loan Take-out	-	-	(645,166,104)	-	-	-	-	-	-	-	-
Lot A Construction Take-out	-	-	(83,778,028)	-	-	-	-	-	-	-	-
Lot B&C Acquisition Loan Take-out	-	-	-	(2,065,125,960)	-	-	-	-	-	-	-
Lot B&C construction Loan Take-out	-	-	-	(332,267,995)	-	-	-	-	-	-	-
Lot B&C Permanent Loan Proceeds	-	-	-	1,582,175,959	-	-	-	-	-	-	-
CASH FLOW											
Residential for sell	-	-	-	964,440,000	578,664,000	385,776,000	-	-	-	-	-
Rental Residential	-	-	-	-	52,038,000	53,755,254	55,529,177	57,361,640	59,254,574	61,209,975	63,229,905
Retail	-	-	-	-	27,772,500	28,688,993	29,635,729	30,613,708	31,623,961	32,667,551	33,745,581
Office	-	-	-	-	122,400,000	126,439,200	130,611,694	134,921,879	139,374,302	143,973,653	148,724,784
Potential Gross Income	-	-	-	964,440,000	780,874,500	594,659,447	215,776,600	222,897,228	230,252,837	237,851,180	245,700,269
Rental Occupancy	0.0%	0.0%	0.0%	0.0%	65.0%	85.0%	95.0%	96.0%	96.0%	96.0%	96.0%
Vacancy / Credit Loss	-	-	-	-	(70,773,675)	(31,332,517)	(10,788,830)	(8,915,889)	(9,210,113)	(9,514,047)	(9,828,011)
EFFECTIVE GROSS INCOME	-	-	-	964,440,000	710,100,825	563,326,930	204,987,770	213,981,339	221,042,723	228,337,133	235,872,258
OPERATING EXPENSES	-	-	-	-	(41,380,646)	(42,415,163)	(43,475,542)	(44,562,430)	(45,676,491)	(46,818,403)	(47,988,863)
NET OPERATING INCOME	-	-	-	964,440,000	668,720,179	520,911,767	161,512,229	169,418,909	175,366,232	181,518,730	187,883,395
UNLEVERAGED OPERATING CASH FLOW	(1,624,465,260)	(126,764,060)	(381,612,531)	798,306,002	668,720,179	520,911,767	161,512,229	169,418,909	175,366,232	181,518,730	187,883,395
Debt Service	-	-	-	-	(113,556,993)	(113,556,993)	(113,556,993)	(113,556,993)	(113,556,993)	(113,556,993)	(113,556,993)
DSCR	-	-	-	-	5.89	4.59	1.42	1.49	1.54	1.60	1.65
LEVERAGED OPERATING CASH FLOW	(1,624,465,260)	(84,875,046)	(902,533,651)	149,222,004	555,163,186	407,354,774	47,955,236	55,861,916	61,809,240	67,961,737	74,326,402
Outstanding Principal Balance	-	-	-	-	1,528,593,800	1,472,911,935	1,415,048,082	1,354,916,737	1,292,429,044	1,227,492,666	1,160,011,646
Lot B&C NOI - Residential / Retail	-	-	-	-	-	-	-	-	-	-	187,883,395
Gross Sale Price - Residential / Retail	-	-	-	-	-	-	-	-	-	-	3,296,199,914
Less: Closing Costs	-	-	-	-	-	-	-	-	-	-	(164,809,996)
Less: Outstanding Loan Balance	-	-	-	-	-	-	-	-	-	-	(1,227,492,666)
Net Sales Proceeds	-	-	-	-	-	-	-	-	-	-	1,903,897,253
UNLEVERAGED NET CASH FLOW	(1,624,465,260)	(126,764,060)	(381,612,531)	798,306,002	668,720,179	520,911,767	161,512,229	169,418,909	175,366,232	181,518,730	3,319,273,313
LEVERAGED NET CASH FLOW	(1,624,465,260)	(84,875,046)	(902,533,651)	149,222,004	555,163,186	407,354,774	47,955,236	55,861,916	61,809,240	67,961,737	1,978,223,655

LOT A&B&C RETURNS	
Cap Rate	5.7%
Unleveraged IRR	16.9%
Leveraged IRR	3.5%
Equity Multiple	1.22
Cash In	(2,725,270,359)
Cash Out	3,323,551,748
Net Profit	598,281,389