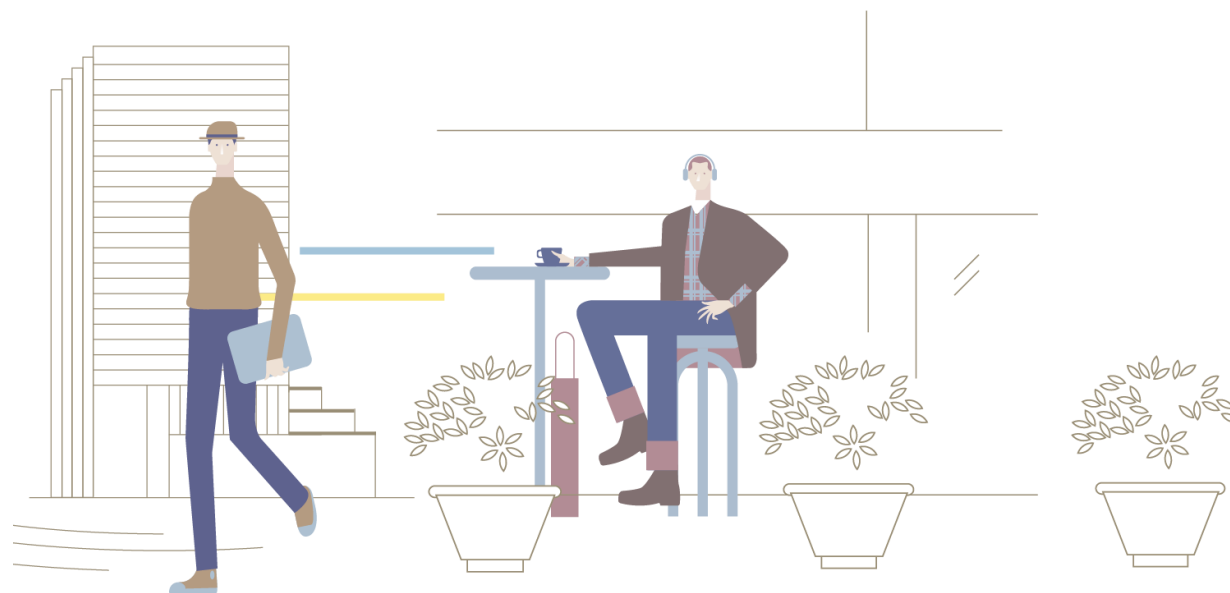
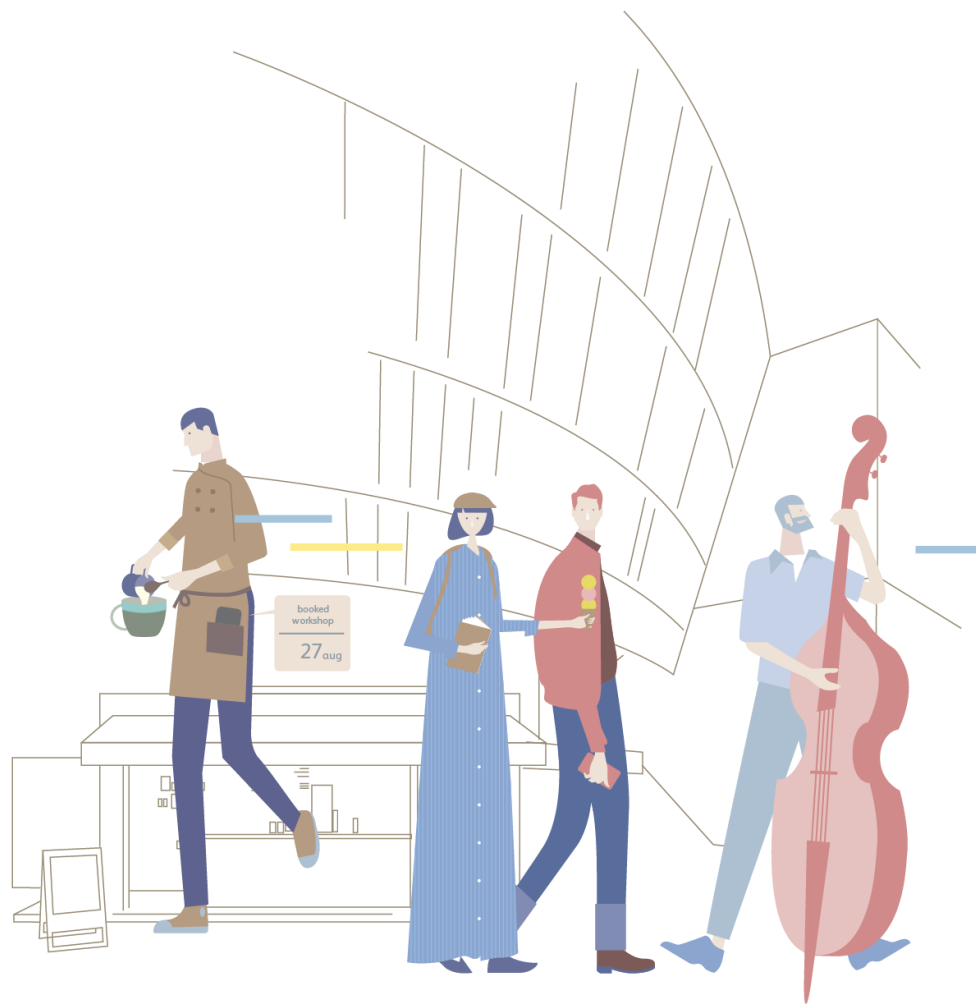


Hysan Development 2017 Annual Results Press Conference

希慎興業2017年全年業績
新聞發佈會

28. 2. 2018



Remarks by
Ms. Irene Yun Lien LEE
Chairman

主席利蘊蓮女士
簡介 **2017** 年全年業績摘要

- Turnover increased by 0.4%; against a slight decline in Recurring Underlying Profit of 0.8%
- Reported Profit increase reflecting changes in fair value of investment properties
- Retail portfolio occupancy at 97%; Office portfolio occupancy at 96%
- Completion of Lee Garden Three further building our commitment to lifestyle and community
- 營業額上升0.4%；經常性基本溢利輕微下跌0.8%
- 公佈溢利上升反映投資物業之公平值變動
- 商舖業務出租率為97%；寫字樓業務出租率為96%
- 利園三期的落成，進一步推動我們以時尚生活及社區為重點的發展

- Reasonable growth in 2017 global economy
- Hong Kong's economy echoed this positive sentiment
- Local retail sales saw uptick in growth
- Office leasing continued to be stable
- 全球經濟在2017年錄得合理增長
- 香港經濟受利好環境帶動
- 香港零售業銷售額錄得輕微增長
- 寫字樓租賃業務繼續保持平穩

- “Generational shift”: Millennials and Generation Z’ers are driving changes in the where, what, how and when products and services are delivered
- “Demographic change”: Mainland tourists and “New Hong Kong” residents, who came to settle in Hong Kong over the past 10 to 20 years, are mature and sophisticated spenders
- Need to cater to tourists, “New Hong Kong” residents, and the “old” Hong Kong
- Landlord has to constantly enhance retail environment and partner closely with tenants
- 「世代轉移」：為了配合千禧世代及Z世代的需要，提供產品和服務的地點、內容、方式和時間亦相應改變
- 「人口變化」：作為成熟和精明的消費者，內地旅客和來港十至二十年的「新香港」居民同樣追求優質的產品和服務
- 需要同時滿足遊客、「新香港」居民、「舊」香港人的需求
- 業主必須不斷提升零售環境的質素，以及與租戶衷誠合作

Retail Changes (con't)

零售業務的轉變（續）

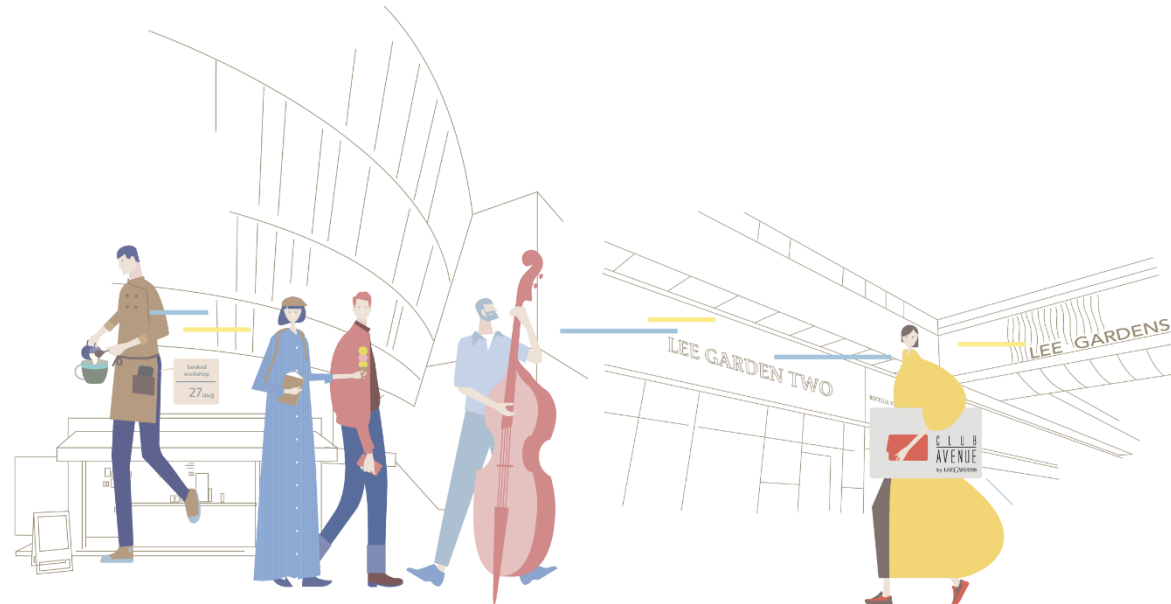
- Technology advancements:
 - Relentless growth of e-commerce, dominance of mobile technology, prevalence of social media
- 科技日益昌明：
 - 電子商務銷售額不斷上升、流動技術的主導優勢與日俱增，社交媒體更是無處不在



Retail Changes (con't)

零售業務的轉變（續）

- Brands and retailers, as well as online operators, are making moves to address these issues
- Hysan, as a landlord mall operator, needs to re-invent and re-imagine both strategically and operationally
- 品牌、零售商，以及網上營運商都採取行動應對這個趨勢
- 希慎作為業主及商場營運商，需要重塑及重新構想策略及營運層面的種種



Retail Changes (con't)

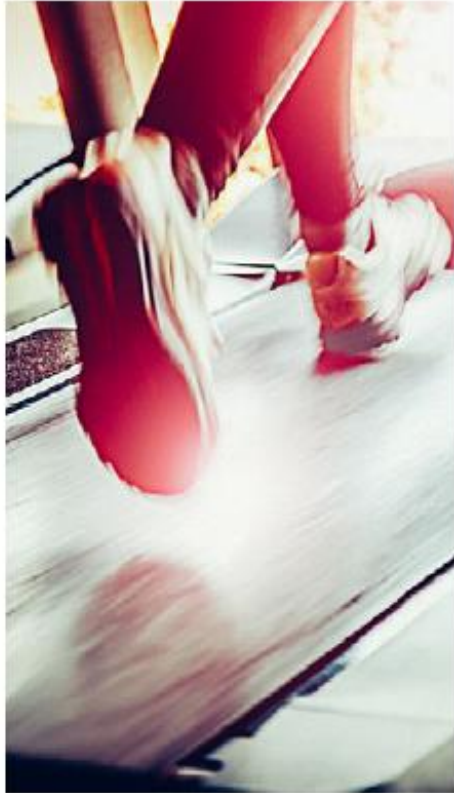
零售業務的轉變（續）

- Give shoppers “extra special” touch to make the shopping experience socially pleasant and interesting
- Customers now offered personalised and unique items and services
- Hysan started journey into new retail and will continuously adapt our offerings
- 提供「額外的特殊」體驗，使購物變成一種愉快、有趣的社會生活體驗
- 向顧客提供既貼心而又獨特的商品和服務
- 希慎已開展這個新式商舖業務旅程，且不斷調整為顧客營造的購物體驗

Retail Changes (con't)

零售業務的轉變（續）

7:00am



Early workout at gym
在健身室作晨早運動

9:00am



Heading into work
上班工作

12:30pm



Hysan Place for a quick
lunch
在希慎廣場午膳

4:00pm



A quick coffee to perk up
呷一杯咖啡抖擻精神

8:00pm



Browsing in book store
before heading to a
dinner party
晚上聚餐前到書店逛逛

- “Generational changes”:
 - Incoming workforce want more fluid and mobile work style plus work in social setting
 - Co-working space is growing and Hysan is increasing its office portfolio’s co-working space exposure to over 5%
- Multinationals opting to relocate to non-Central core areas such as Causeway Bay
- But Hysan faces strong competition from other office areas on the Island and Kowloon while there is still value for money differential
- 「世代變更」：
 - 投身社會的年輕人現在喜歡更靈活、更流動的工作模式，希望在工作中接觸社會
 - 共用工作間日漸流行，希慎已將其於寫字樓組合的比重提高至超過5%
- 某些跨國企業選擇遷往非中環核心區域，例如銅鑼灣
- 銅鑼灣與來自港島及九龍其他寫字樓區的租賃價值依然存在差距，而來自這些地區的競爭依然激烈

- Lee Garden Three completed in December 2017
 - First office tenant moved in
 - Other multinationals from a diverse business background moving in
 - Spaces, community-based co-working brand, establishing flagship here
 - Retail podium welcomes food and beverage outlets and lifestyle shops
- 2017年12月，利園三期落成
 - 首個新寫字樓租戶正式入伙
 - 吸引其他不同行業的跨國企業進駐
 - 著名以社區為本的共用工作間品牌**Spaces**，選擇利園作為在香港的旗艦基地
 - 商場部分將迎來多家特色食肆及生活用品店

Hysan's Progress in 2017 (con't)

希慎2017年的業務進展（續）

- Marketing's tenant collaboration received media attention, extensive footfall and healthy spending figures
 - Revamped Louis Vuitton shop
 - eslite summer programme
 - Colourful I.T. showcase
- Loyalty clubs saw significant percentage growth of membership numbers and sales
- 集團和租戶合作的推廣活動獲得媒體廣泛報道，因而吸引大量人流，刺激消費增加
 - 翻新的Louis Vuitton路易威登店
 - 誠品書店夏季活動
 - 色彩繽紛的I.T.推廣活動
- 常客獎勵計劃的會員人數取得顯著的百分比增幅，並帶來穩健的銷售額增長

- Office
 - Continue to enhance an inclusive office community that fits the needs and demands of modern-day users
 - Diverse office portfolio which includes sales, banking, finance and insurance, technology, health and wellness, as well as high-end brands
 - Three NGOs from different backgrounds moved into Leighton Centre, representing Hysan's continuing commitment to foster innovation and serve our community
- 寫字樓業務
 - 繼續創建一個共融的寫字樓社區，以滿足現今的用戶需求
 - 多元化的寫字樓租戶組合，包括銷售、銀行業、金融、保險、科技、推廣身心健康相關行業，以及高檔品牌
 - 在禮頓中心為三個新興非政府組織提供寫字樓，反映希慎繼續致力推動創新，服務社群

- Continue to support brands that offer classic luxury
- But also strengthen our commitment to promote lifestyle through food and beverage, as well as health and wellness, in an environment with a strong sense of community
- This will define the new retail where emerging consumers demand quality to be expressed through sustainability, honesty and individuality
- 繼續支持經典奢侈品品牌
- 於本身的社區環境中，透過餐飲、身心健康元素，加強推廣時尚生活方式
- 這將定義新零售業的常態，反映顧客對可持續發展、真誠，及獨特性的要求

- Bring new initiatives to market with greater speed
- More digitalised and data-driven, and technology adopted at consumer level
- Maintain frequent dialogues with online retail operators and seek opportunities for partnerships
- Innovate and curate relevant content for Lee Gardens community; provide more support for Lee Gardens Association
- 加快向市場推出新猷
- 加強數碼化發展及更加重視數據的作用，善用科技為消費者服務
- 與網上營運商保持緊密溝通及尋求合作機會
- 銳意創新，為利園區精心策劃精彩活動，為利園協會提供所需協助

- Trend of global economic expansion is likely to continue in 2018; Hong Kong economy also expected to continue to grow
- Lee Garden Three's completion confirms our commitment to expand our lifestyle theme and curate the contents of the Lee Gardens community
- 全球經濟的擴張趨勢相信會於2018年持續，香港經濟預期將繼續增長
- 利園三期的落成，與利園物業組合內的生活時尚品味相得益彰，讓我們進一步規劃利園社區的精彩未來

Presentation by
Mr. Roger HAO
Chief Financial Officer

首席財務總監賀樹人先生
簡介 **2017** 年全年業績

2017 Annual Results Highlights

2017年全年業績摘要

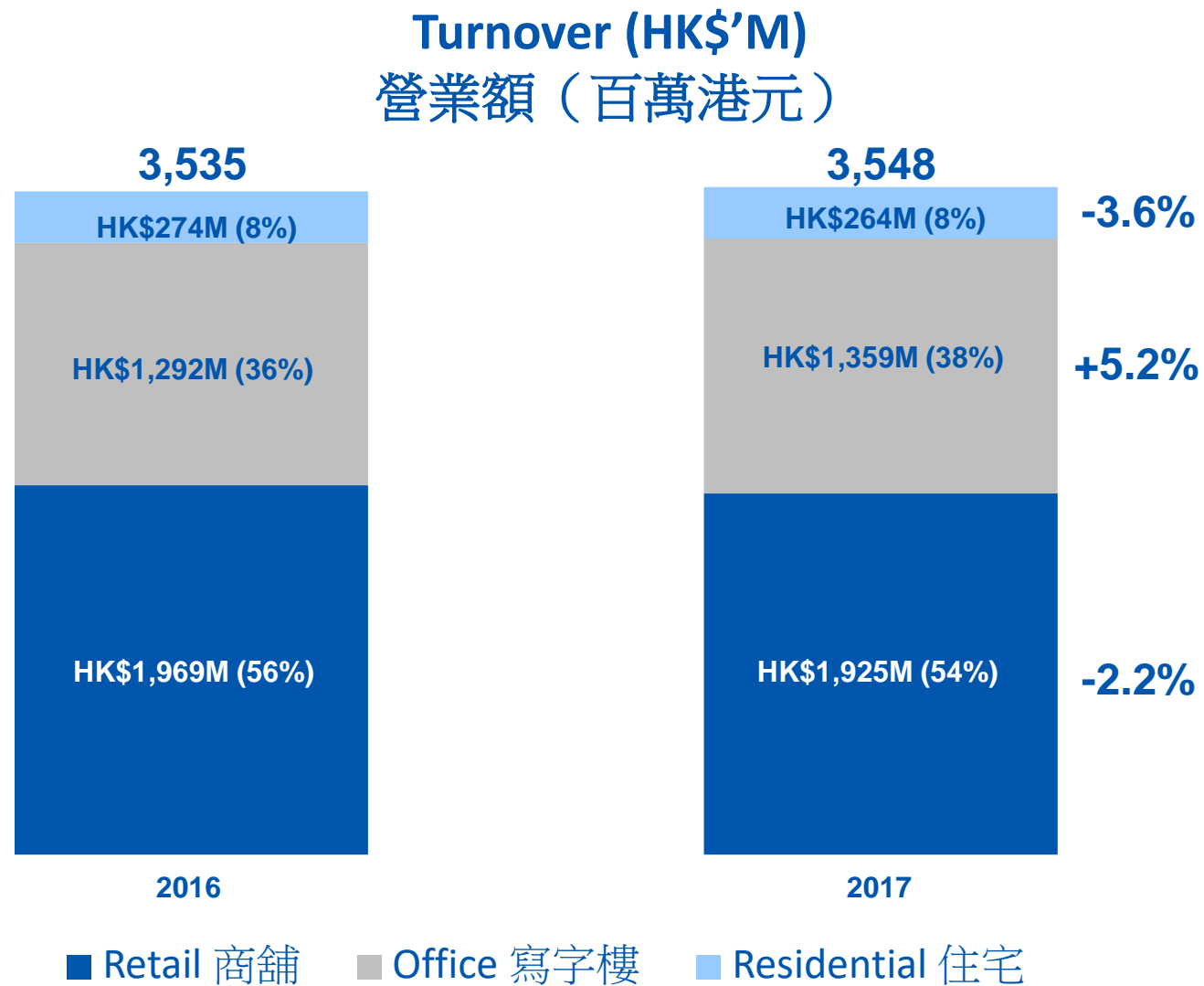
	2017 HK\$'M 百萬港元	2016 HK\$'M 百萬港元	% 百分比
Turnover 營業額	3,548	3,535	0.4%
Recurring Underlying Profit 經常性基本溢利	2,349	2,369	-0.8%
One-off early surrender compensation income (net of effect of taxation and non-controlling interests' shares) 因提前解除租約之一次性賠償收入 (扣除稅項及非控股權益之影響)	142	-	n/m
Underlying Profit 基本溢利	2,491	2,369	5.1%
- Fair value gain or (loss) on investment properties located in 投資物業之公平值收益或(虧損)			
· Hong Kong (net of effect of non-controlling interests' shares) 位於香港之投資物業 (扣除非控股權益之影響)	1,106	(1,157)	n/m
· Shanghai* 位於上海之投資物業*	11	6	83.3%
· Imputed interest income on the interest-free loan to a joint venture 免息貸款予合營公司之估算利息收入	28	-	n/m
Reported Profit 公佈溢利	3,636	1,218	n/m
	2017 HK\$'M 百萬港元	2016 HK\$'M 百萬港元	% 百分比
Shareholders' Funds 股東權益	69,953	67,490	3.6%

* The investment properties are held by an associate of the Group.
* 本集團的聯營公司所持有的投資物業。

n/m: not meaningful
n/m: 並無意義

2017 Performance: By Portfolio

2017年表現：按業務劃分



Strong Financial Position

穩健財政狀況

Low Gearing

- Total Gross Debt: HK\$6,176 million
(31 Dec 2016: HK\$6,305 million)
- Net Debt to Equity: 5.0% (31 Dec 2016: 5.4%)

Stable Debt Profile

- Fixed Rate Debt: 74.9% of the total gross debt
(31 Dec 2016: 73.4% of the total gross debt)
- Average Debt Maturity: 4.3 years
(31 Dec 2016: 4.3 years)
- Capital Market Issuance: 74.9%
(31 Dec 2016: 73.4%)
- Average Cost of Finance: 3.4% (2016: 3.8%)

Strong Credit Rating

- Net Interest Coverage: 17.1 times
(2016: 20.5 times)
- Moody's: A3; Standard and Poor's: BBB+

低負債率

- 債務總額：61億7千6百萬港元
(2016年12月31日：63億5百萬港元)
- 淨債務與股東權益比率：5.0%
(2016年12月31日：5.4%)

穩定債務狀況

- 定息債務：佔債務總額 74.9%
(2016年12月31日：佔債務總額 73.4%)
- 平均債務期限：4.3年
(2016年12月31日：4.3年)
- 資本市場發債：74.9%
(2016年12月31日：73.4%)
- 平均借貸成本：3.4% (2016年：3.8%)

信貸評級優異

- 淨利息償付率：17.1倍 (2016年：20.5倍)
- 穆迪：A3；標準普爾：BBB+

Presentation by
Mr. Ricky LUI
Chief Operating Officer

首席營運總監呂幹威先生
簡介 **2017** 年全年業績

2017 Performance: Retail Portfolio

2017年表現：商舖業務

Market overview: Hong Kong Retail Sales

- 2017 full year: overall increase of 2.2% when compared to 2016
- Retail sales improvement reflecting an improvement in inbound tourism and resilience of local consumption demand

市場概覽：本港零售市況

- 2017 年全年：較去年整體上升2.2%
- 零售業銷售額改善，反映入境旅客數字增加，以及本地消費需求穩健

Type of retail outlet 零售商類別	Jan-Dec 2017 (YoY) 2017年1月至12月(按年)
Jewellery, watches and clocks, and valuable gifts 珠寶首飾、鐘錶及名貴禮品	+5.2%
Consumer durable goods 耐用消費品	-3.1%
Food, alcoholic drinks and tobacco (other than supermarkets) 食品、酒類飲品及煙草（超級市場除外）	+3.2%
Clothing, footwear and allied products 衣物、鞋類及有關製品	+0.2%

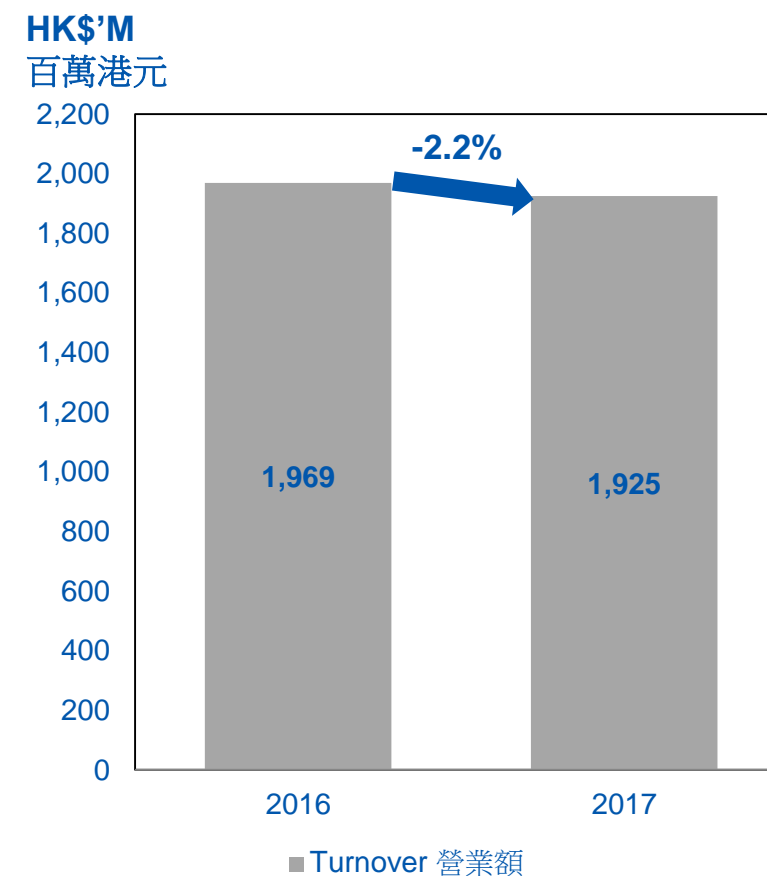
2017 Performance: Retail Portfolio

2017年表現：商舖業務

- Retail portfolio turnover decreased by 2.2% to HK\$1,925 million (2016: HK\$1,969 million)
- Occupancy: 97% as at 31 Dec 2017 (31 Dec 2016: 99%)
- The portfolio going through a process of tenant mix adjustment:
 - In general, new lettings, renewals and reviews saw either mild positive rental reversions or were flat
 - In cases where there were tenant mix changes, with some changes in rental structure, we rely more on turnover rent
- 商舖業務的營業額減少 2.2% 至 19億2千5百萬港元
(2016 年：19億6千9百萬港元)
- 出租率：於2017年12月31日為97%（2016年12月31日：99%）
- 商舖業務持續調整租戶組合：
 - 整體來說，續約、租金檢討與新出租物業所訂立的租金水平輕微上升或相若
 - 如租戶組合正在調整，會導致租金結構有所改變，需要加強依靠按租戶營業額收取的租金

Retail Portfolio Turnover

商舖業務收入



2017年表現：商舖業務（續）

- Total foot traffic decreased by around 5%, due to some major renovation and fit out work for new tenants
 - Improvement seen towards the end of the year
- The estimated tenant sales for 2017 saw single-digit percentage increase, when compared to 2016
- 由於有新租戶進行一些大型翻新及裝修工程，商舖組合的總人流下跌約5%
 - 近2017年底，商場人流有所改善
- 2017年的估計整體租戶銷售額，與2016年比較，有單位數百分比升幅

2017年表現：商舖業務（續）

- Newly joined tenants included Brunello Cucinelli, Zeiss Vision Center by Puyi Optical, Cha Ling, i.t blue block, BRICK LANE, The PHO and IPPUDO
- In early 2018, we welcome 10 Shanghai and Sushi Ta-ke
- 新加入的租戶包括Brunello Cucinelli、Zeiss Vision Center by Puyi Optical、茶靈、i.t blue block、BRICK LANE、The PHO及一風堂
- 2018年初，我們歡迎十里洋場及竹壽司的加入

2017 Performance: Retail Portfolio (con't)

2017年表現：商舖業務（續）

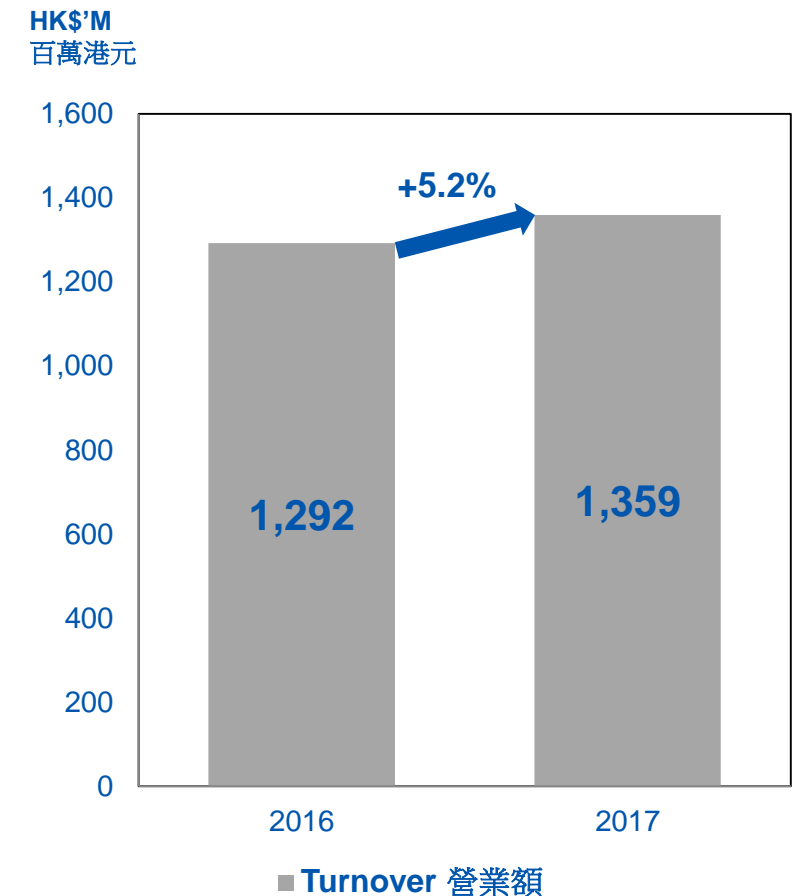
- Show-stopping events at Hysan's portfolio
- Hong Kong's most international sporting event Rugby Seven's Fan Walk attracted overseas fans and local visitors
 - Fan Walk's dining and shopping promotions brought customers and sales to Hysan's restaurants and shops
- Summer programme in cooperation with eslite and winter's Christmas markets both provided interesting contents and entertainment for shoppers
- Strong support for Arts in the Park's Night Parade which has called Lee Gardens home since 2013
- 希慎旗下物業組合舉辦了多項精彩盛事
- 國際體壇盛事國泰航空／滙豐香港國際七人欖球賽球迷嘉年華，吸引了從世界各地來港的粉絲和本地市民
 - 球迷嘉年華的餐飲及購物優惠，為希慎物業組合內的餐廳及商店帶來不少顧客，提高銷售額
- 夏季與誠品書店合辦的計劃，以及聖誕節墟市，向商場訪客和購物人士提供有趣又極具娛樂性的體驗
- 大力支持自從2013年就在利園區上演的藝趣銅鑼灣夜光巡遊



2017年表現：寫字樓業務

- Office portfolio turnover increased by 5.2% to HK\$1,359 million (2016: HK\$1,292 million)
- Occupancy: 96% as at 31 Dec 2017 (31 Dec 2016: 96%)
- Positive rental reversion in renewals, reviews and new lettings across the portfolio
- 寫字樓業務的營業額增加5.2%至13億5千9百萬港元（2016年：12億9千2百萬港元）
- 出租率：於2017年12月31日為96%（2016年12月31日：96%）
- 因續約、租金檢討與新出租物業而訂立的的租金水平上升

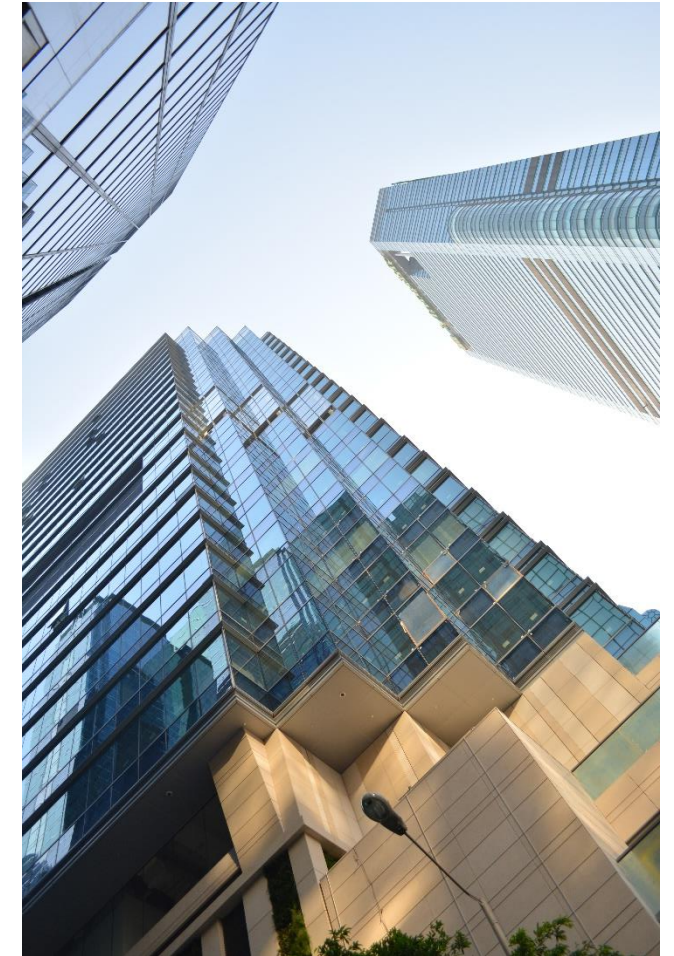
Office Portfolio Turnover 寫字樓業務收入



2017 Performance: Office Portfolio (con't)

2017年表現：寫字樓業務（續）

- Hysan's office space accounts for more than 50% of its overall portfolio's gross floor area
- Contributed 38% of its turnover
- 希慎寫字樓業務組合佔集團業務總樓面面積超過50%
- 佔營業額的38%



2017年表現：寫字樓業務（續）

- Causeway Bay is one of the most sought-after areas for multinational and local corporations
- Lee Garden Three pre-leasing slowed down somewhat in second half of 2017, but close to 55% of its office space committed for rental
- 對跨國企業及本地公司來說，銅鑼灣仍然是他們最渴求的營商熱點之一
- 2017年下半年，利園三期的預租活動略為放緩，但近55%的寫字樓面積已獲承租



2017 Performance: Office Portfolio (con't)

2017年表現：寫字樓業務（續）

- Balanced tenant mix showing the portfolio's diversity:
 - Professional and Consulting
 - Banking and Finance
 - Insurance
 - Semi-Retail
 - The four above categories representing around 50% of our office lettable floor area
- No single category took up more than 20% of total lettable area
- Co-working is a strong up-and-coming category
- 均衡租戶組合反映寫字樓業務組合的多元化：
 - 專業及顧問服務業
 - 金融業
 - 保險業
 - 綜合服務業
 - 合共佔寫字樓可供出租總樓面面積約50%
- 當中並無單一行業佔可供出租總樓面面積超過20%
- 共用工作間是日漸流行的趨勢

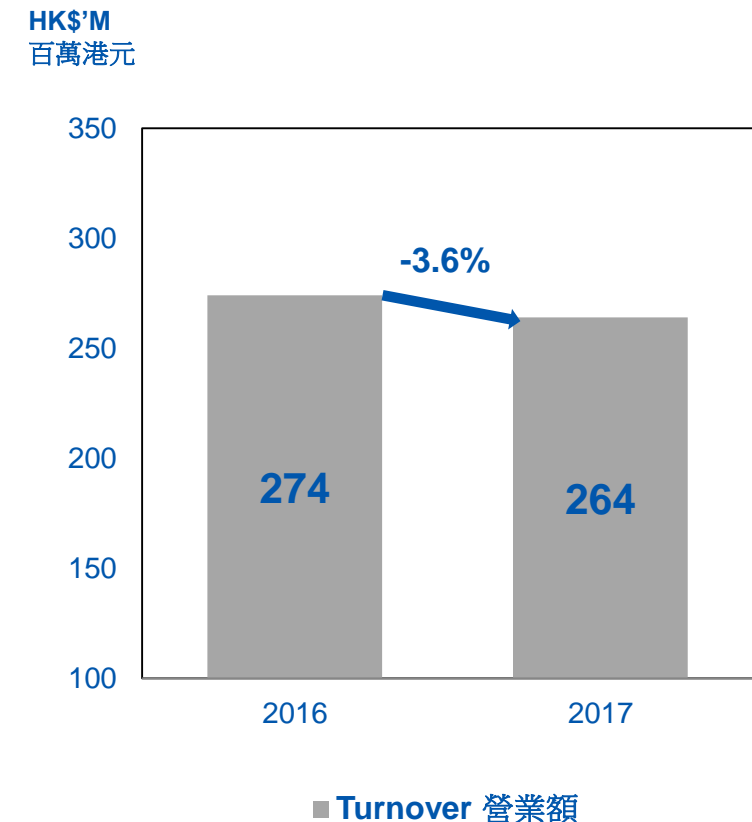
2017 Performance: Residential Portfolio

2017年表現：住宅業務

- Residential portfolio turnover decreased by 3.6% to HK\$264 million (2016: HK\$274 million)
- Positive rental reversion on renewals, reviews and new lettings
- Occupancy: 75% as at 31 Dec 2017 (31 Dec 2016: 82%)
- Vacancy largely due to a number of renovations and changes in demand by expatriates
- 住宅業務的營業額減少 3.6% 至 2億6千4百萬港元 (2016 年：2億7千4百萬港元)
- 因續約、租金檢討與新出租物業而訂立的租金錄得升幅
- 出租率：於2017年12月31日為75% (2016 年 12 月 31 日：82%)
- 空置主要由於項目進行多項翻新工程，加上外籍住客需求轉變

Residential Portfolio Turnover

住宅業務收入



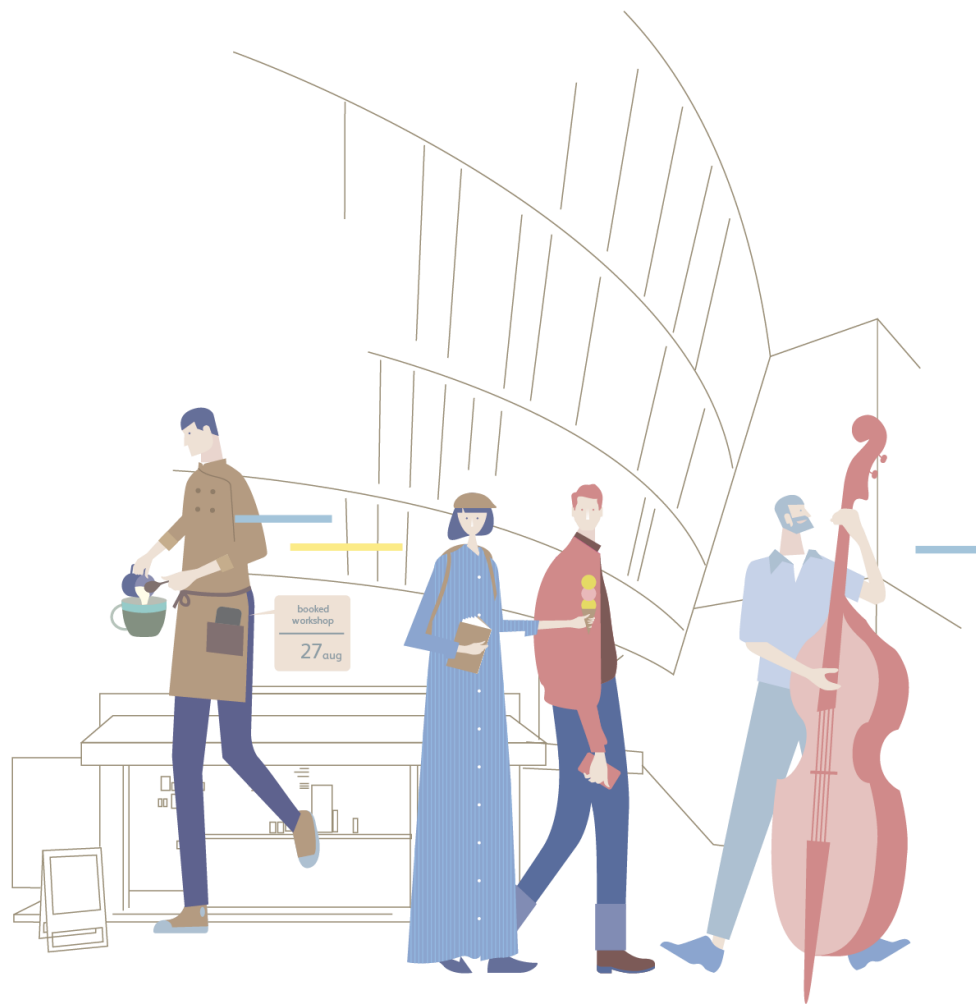
Lee Garden Three Project

利園三期項目

- Completed in December 2017
- Promotes environmental friendliness and work-life balance
- Roof Top Garden and a Sky Garden with a 100 metre long running track
- 利園三期的建築工程於2017年12月完成
- 推廣環保及作息均衡
- 設有天台花園及一個擁有100米跑道的空中花園



- Design development in good progress, statutory submissions ongoing
- Site formation and foundation works will start in Q2 2018
- 設計工作進展良好，各項法定申請正在進行
- 工地平整及地基工程將於2018年第二季展開



Thank you

