



Hysan Development
2017 Interim Results
Press Conference

希慎興業
2017年中期業績
新聞發佈會

4. 8. 2017

Remarks by
Ms. Irene Yun Lien LEE
Chairman

主席利蘊蓮女士
簡介 **2017** 年中期業績摘要

2017 Interim Results Highlights

2017年中期業績摘要

- Turnover up 1.8% year-on-year; Recurring Underlying Profit up 4.2%
- Retail portfolio occupancy at 99%; Office portfolio occupancy at 94%
- Demand for quality Grade A office space in core commercial district supports the strong demand in forthcoming Lee Garden Three
- 營業額按年上升**1.8%**；經常性基本溢利上升**4.2%**
- 商舖業務出租率為**99%**；寫字樓業務出租率為**94%**
- 市場對核心商業區的優質甲級寫字樓需求殷切，帶動對即將落成利園三期的強勁需求

- Overall improvement in the global economy during the first half of 2017
- Hong Kong's economy echoed this positive sentiment
- Local retail sales was reasonably stable
- Office leasing market continued to see strong demand for core area space
- 全球經濟於2017年上半年溫和增長
- 香港經濟亦反映此正面氣氛
- 本港零售業銷售額保持穩定
- 寫字樓租賃市場對香港核心商業區的寫字樓需求殷切

A Memorable Shopping Experience

難忘的購物體驗

- Structural adjustments generated by e-commerce and the corresponding changes in consumer behaviour have seen us adapt to new ways of operating our retail space
- Shopping experience must combine quality service, with content which is constantly refreshed, relevant and personalised
- 電子商貿帶來的結構性調整，以及消費者行為的相應轉變，令我們繼續調適及以新方法營運商舖組合
- 購物體驗必須結合優質服務與不斷更新、適切而又個人化的活動內容

A Memorable Shopping Experience (con't)

難忘的購物體驗（續）

- Aim to give our shoppers and visitors much more than simple convenience in ways that cannot be replicated online
- Physical store still plays an important but changing role, through the provision of a backdrop to supply content and entertainment
- 我們不止追求便捷，更希望為購物人士和訪客帶來網上購物難以比擬的精彩體驗
- 實體店會繼續肩負一個重要但有別於過往的角色，成為一個提供活動內容和娛樂的平台



A Memorable Shopping Experience (con't)

難忘的購物體驗（續）

- Take an integrated approach
 - Collaborate with tenants / stakeholders for events and activities
 - Expand our loyalty programmes
 - Make use of technology on promotions and customer interface
 - Enhance our tenant mix
- Our geographical concentration help magnify popularity of our offerings
- 採用不拘一格的綜合方式
 - 與租戶和其他持份者合辦各類活動
 - 擴大顧客獎勵計劃
 - 廣泛運用科技進行推廣及與顧客交流互動
 - 改善租戶組合
- 高度集中的地理優勢，使集團物業的各項設施更受歡迎

A Memorable Shopping Experience (con't)

難忘的購物體驗（續）

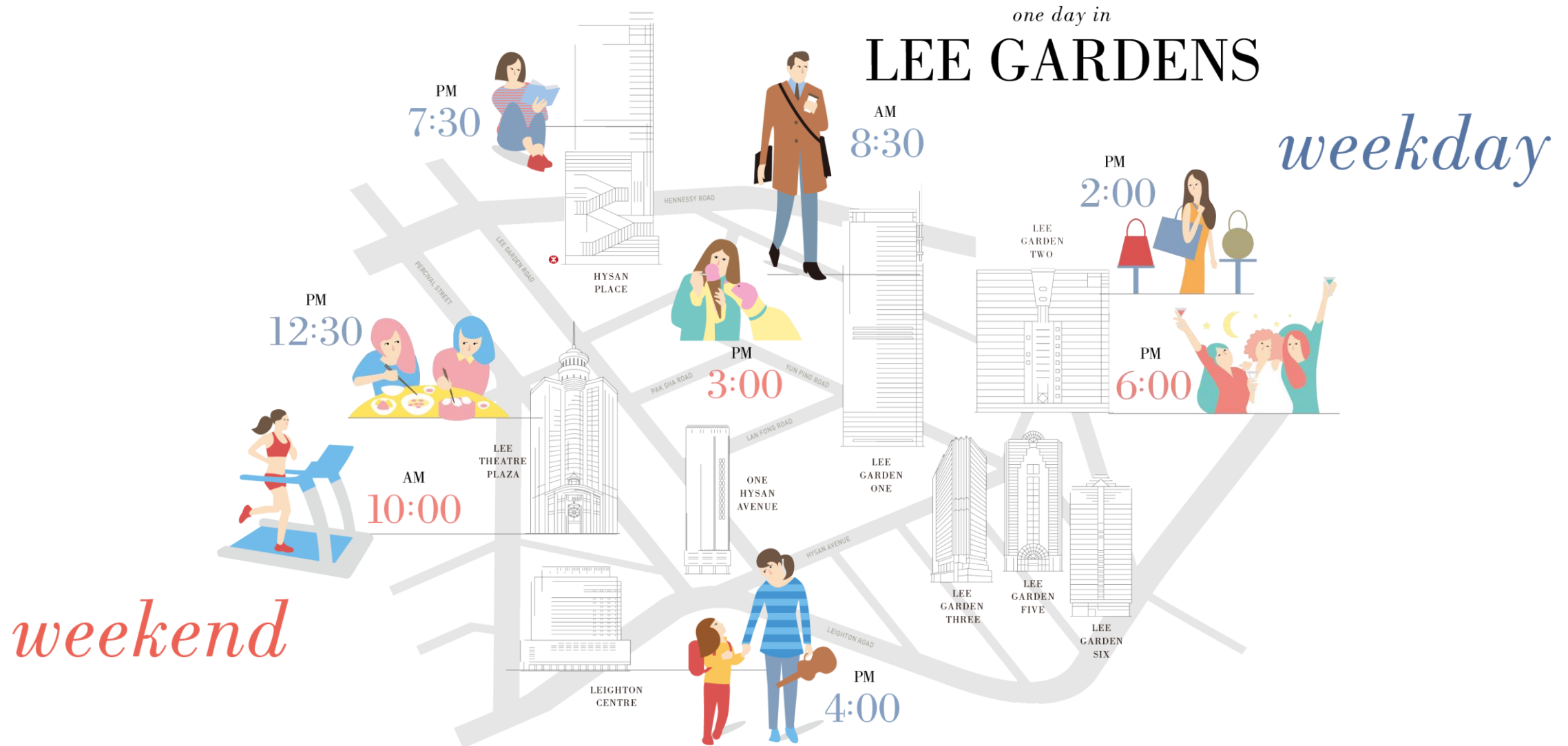
- Unique events included:
 - CX / HSBC Rugby Sevens Fan Walk (street festival, technology-based games, e-coupons to drive tenant business)
 - “Leeisure” programme rewarded high-spending shoppers
 - eslite summer lifestyle festival
- 多項獨樹一幟的活動包括
 - 國泰航空／滙豐香港國際七人欖球賽球迷嘉年華（街頭表演、融合新科技的遊戲和餐飲及購物電子優惠券，為租戶招徠生意）
 - 「Leeisure」計劃為高消費顧客提供獎賞
 - 誠品書店的夏日生活品味活動

A Memorable Shopping Experience (con't) 難忘的購物體驗（續）

- Lee Gardens is a unique community, and those who live, work, eat and shop here form an emotional attachment
- Continue to curate fresh and engaging content for this community, and ensure it remains a front-of-mind destination throughout the day for individuals and families
- 利園區是一個別具特色的小社區，在區內安居樂業、飲食購物的市民，與利園區建立了深厚的感情連繫
- 繼續為社區精心策劃創新和具吸引力的活動，確保利園區成為每個人和家庭的首選消費熱點

A Memorable Shopping Experience (con't)

難忘的購物體驗（續）



A Memorable Shopping Experience (con't) 難忘的購物體驗（續）

- Special marketing efforts aimed at recruiting new members for loyalty programmes
 - Club Avenue membership for VIPs
 - Lee Gardens Plus membership for commercial tenants' staff and residential tenants
- Added resources to visitors' marketing programme through commercial partnerships to enhance profile in markets beyond Hong Kong
- 透過特別營銷活動，為顧客獎勵計劃招募新會員
 - 以尊貴會員為對象的「Club Avenue」
 - 以商業租戶員工及住宅租戶為對象的「Lee Gardens Plus」
- 透過一系列商業夥伴項目，為利園區的旅客營銷計劃增添資源，提升集團在香港以外市場的知名度

A Memorable Shopping Experience (con't) 難忘的購物體驗（續）

- Utilise technology for different aspects of events and loyalty programmes
- Continue to bring in interesting businesses and concepts for our permanent spaces and pop-up stores
- 廣泛運用科技進行推廣活動及顧客獎勵計劃
- 繼續為物業的商舖空間和限時店引進有趣的商舖和概念

Office Portfolio Advantages

寫字樓業務的優勢

- Benefit from companies' movement away from Central and nearby areas to other core district of Hong Kong Island
- Location convenient and accessible, with broad range of lifestyle offerings
- Partner with up-and-coming co-work space providers to create work-based communities
- 隨著不少公司從中環及附近地區遷往香港島其他核心地區，集團的寫字樓組合繼續受惠
- 銅鑼灣及利園區交通便捷，亦能提供各式各樣的生活品味享受
- 希慎與共用工作空間的供應商合作，創造能滿足工作需要的社區

Lee Garden Three Updates

利園三期最新進展

- Lee Garden Three office space, which takes up about 80% of the tower's gross floor area, has received rental commitments for more than half of its floor space
- Retail portion will see lifestyle extension to our existing portfolio
- Building on track for end of 2017 completion
- 利園三期寫字樓部分佔整幢大廈總樓面面積約80%，該部份已獲租戶承租超過一半的樓面面積
- 大廈的商場部分，會為現時的商舖組合增添更多生活品味商店
- 預計可如期於2017年底落成

- Residential joint-venture project's master layout plan has been established, and its design and statutory submission are in good progress. The site investigation has also been completed.
- Continue to seek similar opportunities to build new engines of growth beyond core portfolio
- 此合營的住宅項目已確立總體規劃大綱，其設計及法定申請批核進展順利，地質工程勘探亦已完成
- 集團將繼續物色類似的發展機會，提供核心利園組合之外的一股新增長動力

Presentation by
Mr. Roger HAO
Chief Financial Officer

首席財務總監賀樹人先生
簡介 **2017** 年中期業績

2017 Interim Results Highlights

2017年中期業績摘要

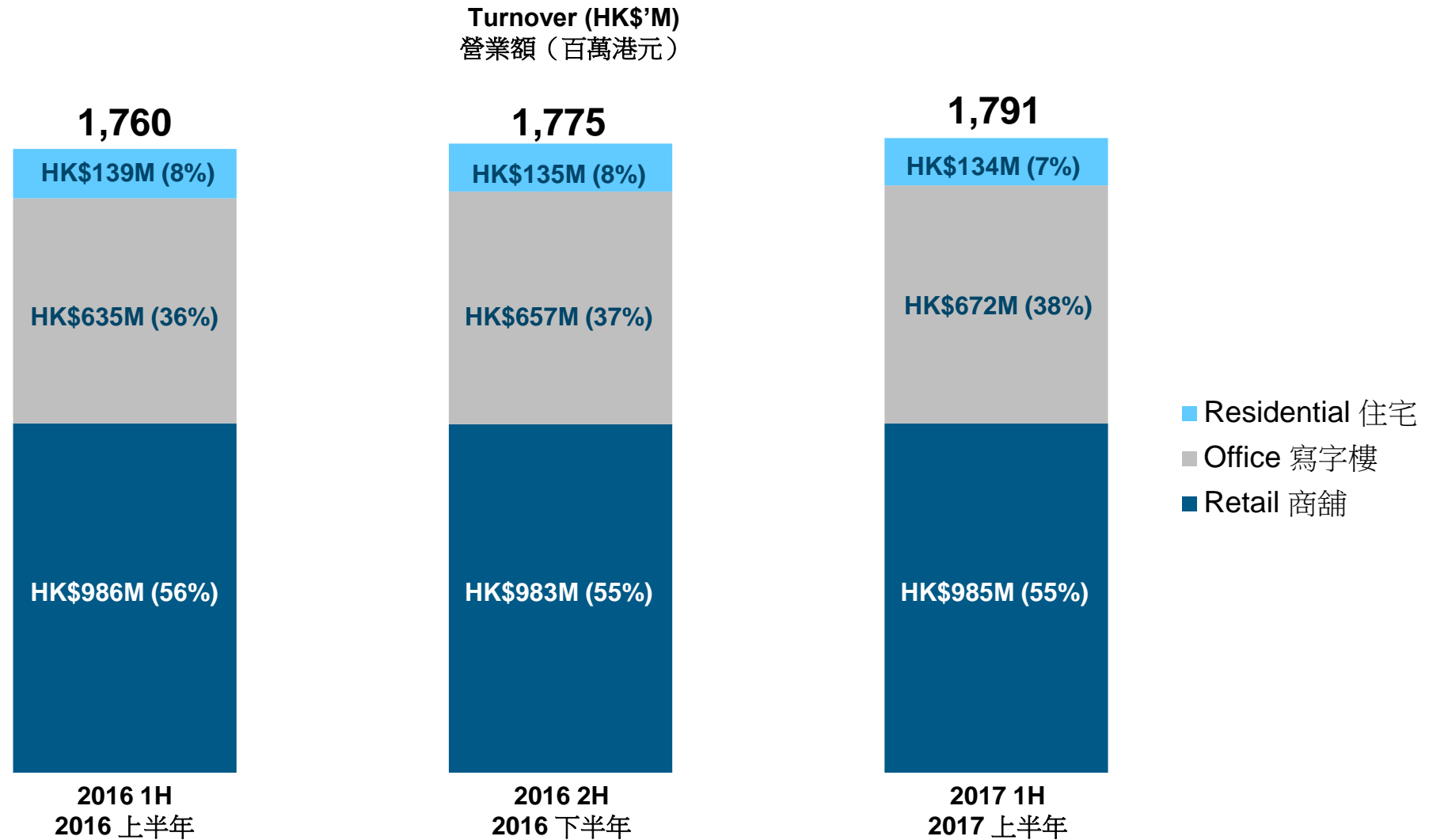
	30-06-17 HK\$'M 百萬港元	30-06-16 HK\$'M 百萬港元	% 百分比
Turnover 營業額	1,791	1,760	1.8%
Recurring Underlying Profit 經常性基本溢利	1,227	1,178	4.2%
Underlying Profit 基本溢利	1,227	1,178	4.2%
- Fair value (loss) or gain on investment properties located in 投資物業之公平值(虧損)或收益			
· Hong Kong (net of effect of non-controlling interests' shares) 位於香港之投資物業 (扣除非控股權益之影響)	(495)	(281)	76.2%
· Shanghai* 位於上海之投資物業*	1	2	-50.0%
· Imputed interest income on the non-current interest-free loan to a joint venture 非流動免息貸款予合營公司之估算利息收入	13	-	n/m
Reported Profit 公佈溢利	746	899	-17.0%
	30-06-17 HK\$'M 百萬港元	31-12-16 HK\$'M 百萬港元	% 百分比
Shareholders' Funds 股東權益	67,163	67,490	-0.5%

* 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 1H Performance: By Portfolio

2017年上半年表現：按業務劃分



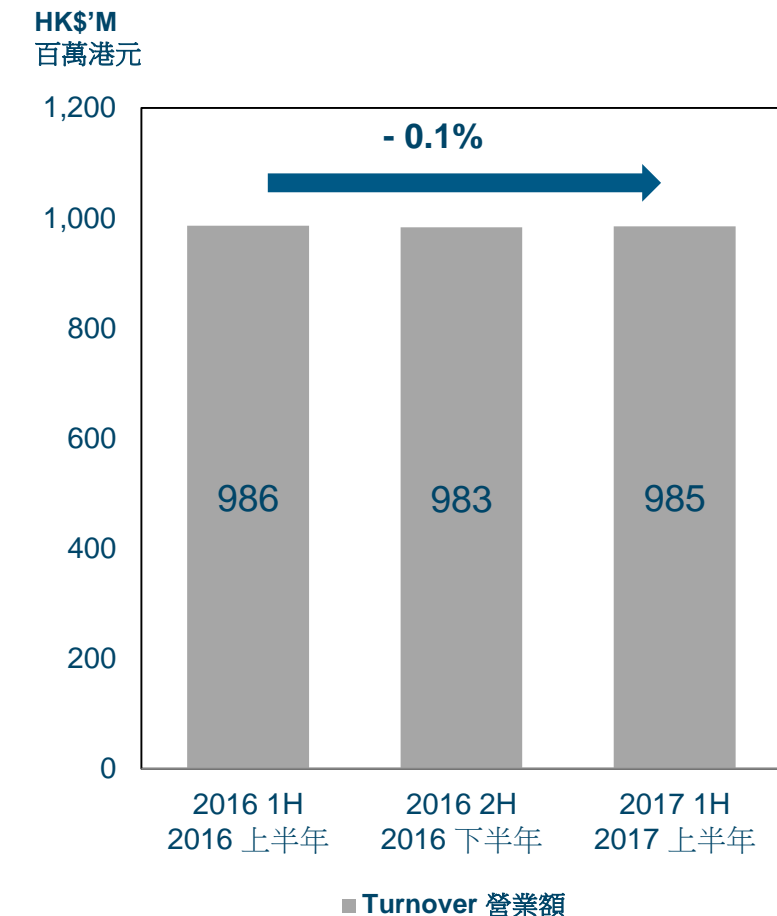
2017 1H Performance: Retail Portfolio

2017年上半年表現：商舖業務

- Retail portfolio turnover decreased by 0.1% to HK\$985 million
(2016 1H: HK\$986 million)
 - Turnover rent of HK\$25 million (2016 1H: HK\$28 million)
- Occupancy: 99% as at 30 June 2017 (31 Dec 2016: 99%)
- As the portfolio is going through a process of tenant mix adjustment, there was overall negative rental reversion in renewals, reviews and new lettings across the portfolio
- 商舖業務的營業額減少 0.1% 至 9億8千5百萬港元
(2016 年上半年：9億8千6百萬港元)
 - 按租戶營業額收取的租金2千5 百萬港元
(2016 年上半年：2千8 百萬港元)
- 出租率：於2017年6月30日為99%（2016年12月31日：99%）
- 商舖業務正在調整租戶組合，以至續約、租金檢討與新出租物業所訂立的租金水平整體下跌

Retail Portfolio Turnover

商舖業務收入



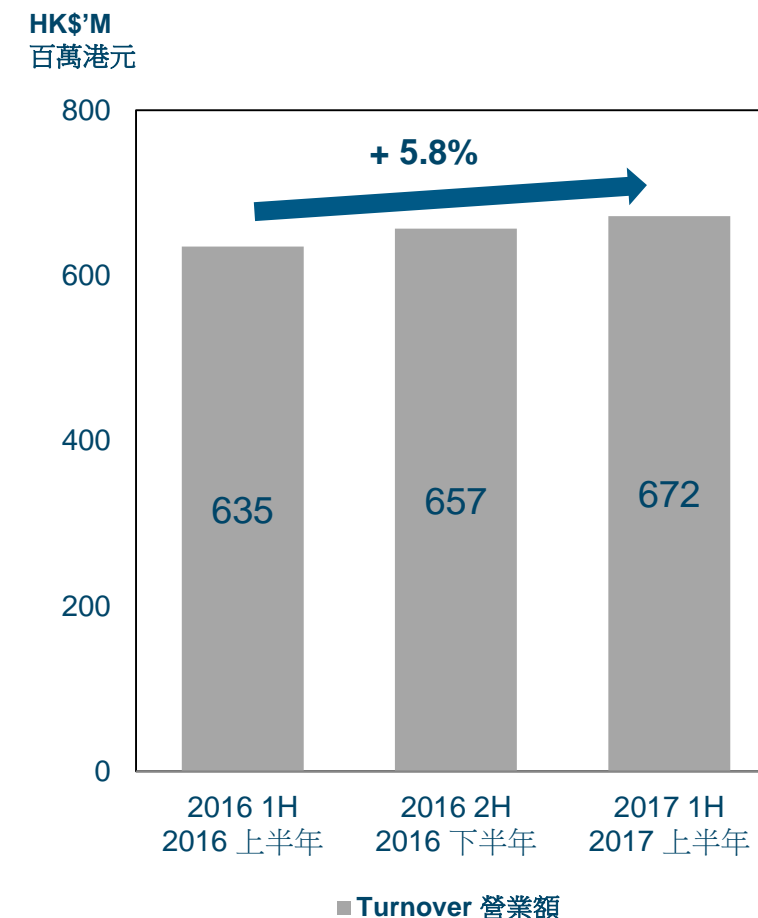
2017 1H Performance: Office Portfolio

2017年上半年表現：寫字樓業務

- Office portfolio turnover increased by 5.8% to HK\$672 million (2016 1H: HK\$635 million)
- Occupancy: 94% as at 30 Jun 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5.8%至6億7千2百萬港元 (2016 年上半年：6億3千5 百萬港元)
- 出租率：於2017年6月30日為94% (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



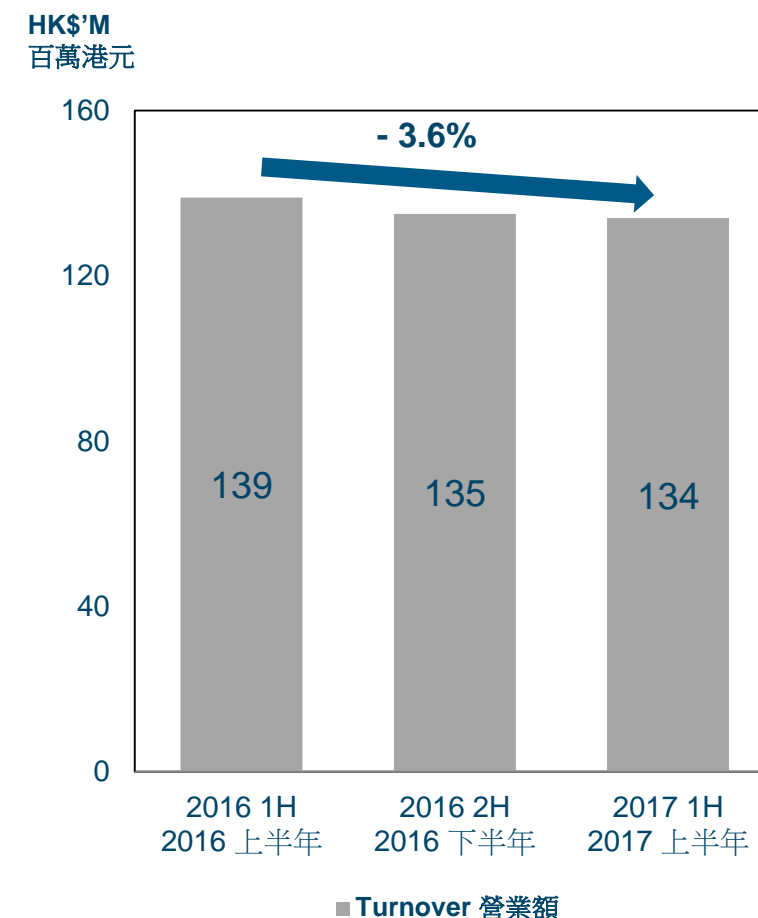
2017 1H Performance: Residential Portfolio

2017年上半年表現：住宅業務

- Residential portfolio turnover decreased by 3.6% to HK\$134 million (2016 1H: HK\$139 million)
- Positive rental reversion on renewals, reviews and new lettings
- Occupancy: 84% as at 30 Jun 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 1億3千4百萬港元 (2016 年上半年：1億3千9百萬港元)
- 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6月30日為84% (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



Strong Financial Position

穩健財政狀況

Low Gearing

- Total Gross Debt: HK\$6,392 million
(31 Dec 2016: HK\$6,305 million)
- Net Debt to Equity: 4.5% (31 Dec 2016: 5.4%)

Stable Debt Profile

- Fixed Rate Debt: 72.6% of the total gross debt
(31 Dec 2016: 73.4% of the total gross debt)
- Average Debt Maturity: 4.8 years
(31 Dec 2016: 4.3 years)
- Capital Market Issuance: 72.6%
(31 Dec 2016: 73.4%)
- Average Cost of Finance: 3.4% (2016: 3.8%)

Strong Credit Rating

- Net Interest Coverage: 20.0 times
(2016: 21.6 times)
- Moody's: A3; Standard and Poor's: BBB+

低負債率

- 債務總額：63億 9千2百萬港元
(2016 年 12 月 31 日：63億 5百萬港元)
- 淨債務與股東權益比率：4.5%
(2016 年 12 月 31 日：5.4%)

穩定債務狀況

- 定息債務：佔債務總額 72.6%
(2016 年 12 月 31 日：佔債務總額 73.4%)
- 平均債務期限：4.8年
(2016 年 12 月 31 日：4.3 年)
- 資本市場發債：72.6%
(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：20.0倍 (2016 年：21.6 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** 年中期業績

2017 1H Performance: Retail Portfolio

2017年上半年表現：商舖業務

Market overview: Hong Kong Retail Sales

- 2017 first six months: overall decline of 0.6% when compared to same period of 2016
- Retail sales decline minimal reflecting a mild improvement in inbound tourism and resilience of local consumption demand

市場概覽：本港零售市況

- 2017 年首六個月：較去年同期整體下跌0.6%
- 零售業銷售額跌幅輕微，反映入境旅客數字有所改善，以及本地消費需求穩健

Type of retail outlet 零售商類別	Jan-Jun 2017 (YoY) 2017年1月至6月(按年)
Jewellery, watches and clocks, and valuable gifts 珠寶首飾、鐘錶及名貴禮品	+0.8%
Other consumer durable goods (include electronic goods and computers) 其他耐用消費品（包括電子產品及電腦）	-7.9%
Food, alcoholic drinks and tobacco (other than supermarkets) 食品、酒類飲品及煙草（超級市場除外）	+2.3%
Clothing, footwear and allied products 衣物、鞋類及有關製品	-2.4%

2017 1H Performance: Retail Portfolio

2017年上半年表現：商舖業務

Hysan's Performance

- Total foot traffic decreased by around 5%, due to some major renovation and fit out work for new tenants. These works have been largely completed and are well received by our shoppers.
- The estimated tenant sales for first six months of 2017 actually saw a low single-digit percentage increase, when compared to the same period in 2016, if we exclude the estimated sales decline of certain electronic goods within the portfolio

希慎的表現

- 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%。這些工程已大致完成，並深受購物人士歡迎
- 於2017年首六個月，商舖業務的估計整體租戶銷售額，與去年同期比較，若撇除若干電子產品的估計銷售額跌幅，有低單位數百分比升幅

2017 1H Performance: Retail Portfolio (con't)

2017年上半年表現：商舖業務（續）

- Newly joined fashion tenants included Brunello Cucinelli, Mila Owen and eGG, while more sports stores, like Go Wild and 2XU, were added
- A number of expansions and relocations of existing tenants
- 新加入的時裝租戶包括Brunello Cucinelli、Mila Owen及eGG，而新增的運動用品店則包括Go Wild和2XU
- 部分現有租戶擴充營業和喬遷



2017 1H Performance: Retail Portfolio (con't)

2017年上半年表現：商舖業務（續）

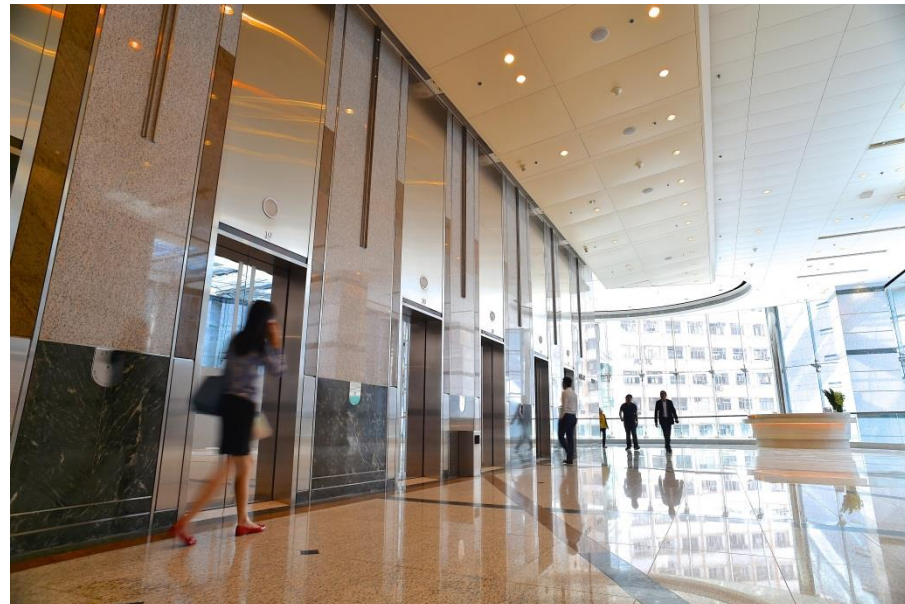
- Popular in mall events: from artistic performances to sports promotions
- Example of collaboration: CX / HSBC Rugby Sevens Fan Walk's dining promotions successfully linked two major sponsors, the Rugby Union and Lee Gardens' food & beverage tenants, and helped the restaurants gain customers and sales
- 商場的人氣活動包括藝術表演以至體育盛事
- 合作例子包括國泰航空／滙豐香港國際七人欖球賽球迷嘉年華，希慎的餐飲推廣活動成功聯繫兩大贊助商、欖球總會及利園餐飲業租戶，有助餐廳增加客流，提高營業額



2017 1H Performance: Office Portfolio

2017年上半年表現：寫字樓業務

- 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 1H Performance: Office Portfolio (con't)

2017年上半年表現：寫字樓業務（續）

- Multinational corporations continue to look for quality and more cost-effective alternatives to Central and Admiralty areas
- Lee Garden Three incoming tenants are in the financial industry (from Central and Admiralty), the technology fields and providers of co-work space
- Over 50% of Lee Gardens Three's office space had been committed for rental
- 跨國公司繼續在中環和金鐘區以外物色優質和更具成本效益的寫字樓
- 利園三期的新租戶包括金融企業（來自中環和金鐘一帶）、科技公司及共用工作空間供應商
- 利園三期寫字樓有超過50%的樓面面積已獲承租



2017 1H Performance: Office Portfolio (con't)

2017年上半年表現：寫字樓業務（續）

- Balanced tenant mix:
 - Professional and Consulting
 - Banking and Finance
 - Insurance
 - Semi-Retail
 - Represented around 50% of our office lettable floor area
- No single category took up more than 20% of total lettable area
- 均衡租戶組合：
 - 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%

Lee Garden Three Construction Update

利園三期建築工程

- Topped out in the first half of 2017
- Making good progress towards expected completion date in Q4 2017
- 32 storey building with more than 200 parking spaces
- Exemplifies work-life balance with a retail podium, a Sky Garden with a running track, plus dining, wellness and sports facilities in the building and nearby
- 項目於2017年上半年平頂
- 工程進度良好，預計可於2017年第四季落成
- 樓高32層，將提供超過200個車位
- 商廈當中有商場、設有緩跑徑的空中花園，而且大廈內和附近的美食及康體設施應有盡有，有助推廣作息均衡



Thank you