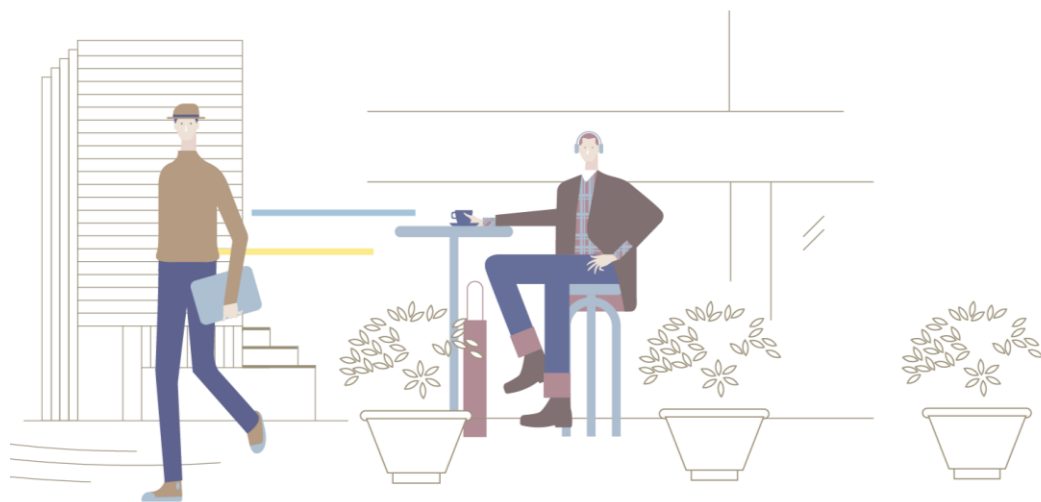
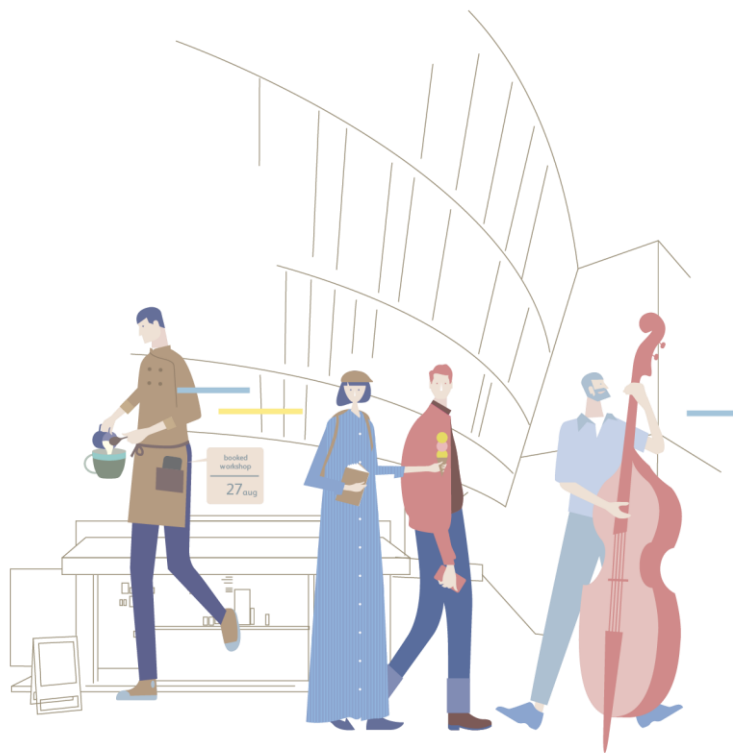


Hysan Development 2018 Annual General Meeting

希慎興業
2018年股東周年大會

8. 5. 2018



Chairman

Lee Irene Yun-Lien

主席

利蘊蓮

Independent Non-Executive Directors

Churchouse Frederick Peter

Fan Yan Hok Philip

Lau Lawrence Juen-Yee

Poon Chung Yin Joseph

獨立非執行董事

卓百德

范仁鶴

劉遵義

潘仲賢

Non-Executive Directors

Jebsen Hans Michael

Lee Anthony Hsien Pin

Lee Chien

Lee Tze Hau Michael

非執行董事

Jebsen Hans Michael

利憲彬

利乾

利子厚

Senior Management 高層管理人員



Lui Kon Wai Ricky
呂幹威

Chief Operating Officer
首席營運總監



Hao Shu Yan Roger
賀樹人

Chief Financial Officer
首席財務總監



Chan Wing Chung Sunny
陳詠聰

Director, Projects
工程項目總監



Choy Man Wai Kitty
蔡雯慧

Director, Retail
商舖業務總監



Lam Tze Pon Tiffany
林之茈

Director, Marketing
and Customer Experience
市場推廣及客戶體驗總監



Yip Mo Ching Jessica
葉慕貞

Director,
Office and Residential
寫字樓及住宅業務總監



Cheung Ka Ki Maggie
張嘉琪

Company Secretary
and General Counsel
公司秘書及總法律顧問

2017 Business Environment Overview

2017年營商環境概覽

- 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 dinner
晚上聚餐前到書店逛逛

Office Changes

寫字樓業務的轉變

- “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

Hysan's Progress in 2017 (con't)

希慎2017年的業務進展（續）

- 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

Looking Ahead (con't)

展望未來（續）

- 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

Looking Ahead (con't)

展望未來（續）

- 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

2017年全年業績及摘要：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%)
- Our full year new letting, renewals, and reviews saw double digit negative rental reversions which reflected a difficult first half and rental adjustment as we continue to actively reposition our portfolio to anticipate trends and shopper requirements
- 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%）
- 由於集團積極為業務組合重新定位，以配合預期的趨勢及顧客的要求，因此全年因新出租物業、續約與租金檢討而訂立的的租金水平錄得雙位數百分比跌幅，反映上半年的困境和租金調整

2017年全年業績及摘要：商舖業務（續）

- Total foot traffic slightly decreased due to some major renovation and fit out work for new tenants
 - Improvement seen towards the end of the year
- The 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，商舖組合的總人流輕微下跌
 - 近2017年底，商場人流有所改善
- 2017年的整體租戶銷售額，與2016年比較，有單位數百分比升幅

2017年全年業績及摘要：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 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日本料理的加入

2017年全年業績及摘要：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

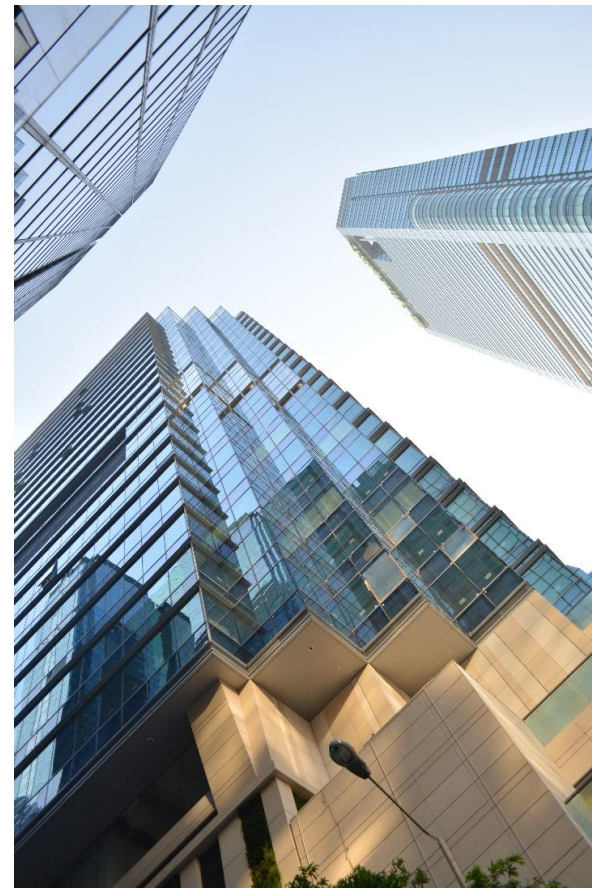


- Office portfolio turnover increased by 5.2% to HK\$1,359 million (2016: HK\$1,292 million)
- Occupancy: 96% as at 31 Dec 2017
(31 Dec 2016: 96%)
- Positive rental reversion in renewals, reviews and new lettings across the portfolio
- 寫字樓業務的營業額增加5.2%至13億5千9百萬港元
(2016年：12億9千2百萬港元)
- 出租率：於2017年12月31日為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

2017 Annual Results and Highlights: Office Portfolio (con't)

2017年全年業績及摘要：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年全年業績及摘要：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年全年業績及摘要：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 Annual Results and Highlights: Residential Portfolio 2017年全年業績及摘要：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

Low Gearing

- Total Gross Debt: HK\$6,176 million
- Net Debt to Equity: 5.0%

低負債率

- 債務總額：61億7千6百萬港元
- 淨債務與股東權益比率：5.0%

Stable Debt Profile

- Fixed Rate Debt: 74.9% of the total gross debt
- Average Debt Maturity: 4.3 years
- Average Cost of Finance: 3.4%

穩定債務狀況

- 定息債務：佔債務總額 74.9%
- 平均債務期限：4.3年
- 平均借貸成本：3.4%

Strong Credit Rating

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

信貸評級優異

- 淨利息償付率：17.1倍
- 穆迪：A3；標準普爾：BBB+

Hysan's Business Updates: Retail Portfolio

集團業務最新進展：商舖業務

- Occupancy: At the end of March 2018, excluding the newly completed Lee Garden Three, the Retail occupancy was 98%
- Estimated Tenant Sales: The first three months of 2018 saw a healthy double digit percentage growth, as compared to the same period in 2017, outperforming Hong Kong's retail sales growth percentage figure
- 出租率：如不包括剛落成的利園三期，於2018年3月底為98%
- 估計整體租戶銷售額：與去年同期的數字比較，2018年首三個月有穩健的雙位數百分比增長，比香港零售銷售的百分比增長理想

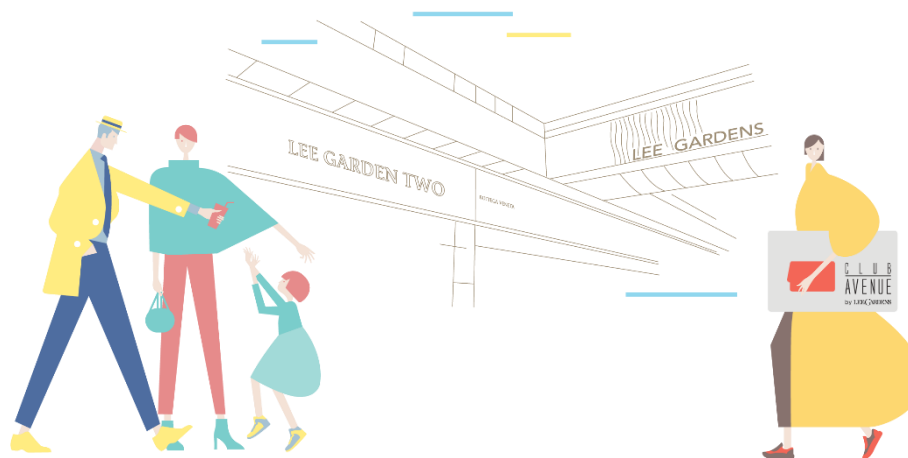
集團業務最新進展：商舖業務（續）

- Retail sales in Hong Kong and in our portfolio are generally improving
- The renewal/new let discussions for a majority of the leases expiring in 2018 are benefiting from this positive market sentiment
- In response to the structural changes in retail, we have identified strategic locations which will allow us to refresh, curate and reposition
- As part of this transformational journey, the level of rent for some spaces will reflect our commitment to the future
- 香港零售業銷售額和集團的業務組合正整體改善
- 大部分於**2018**年期滿的租約及正商討的新租約，亦受惠於正面的市場氣氛
- 希慎因應零售業的結構性轉變，已選擇具策略性的商舖作重新調整、策劃和定位
- 作為轉變過程的一部分，某些樓面的租金水平會反映集團對未來發展的重視

Hysan's Business Updates: Retail Portfolio (con't)

集團業務最新進展：商舖業務（續）

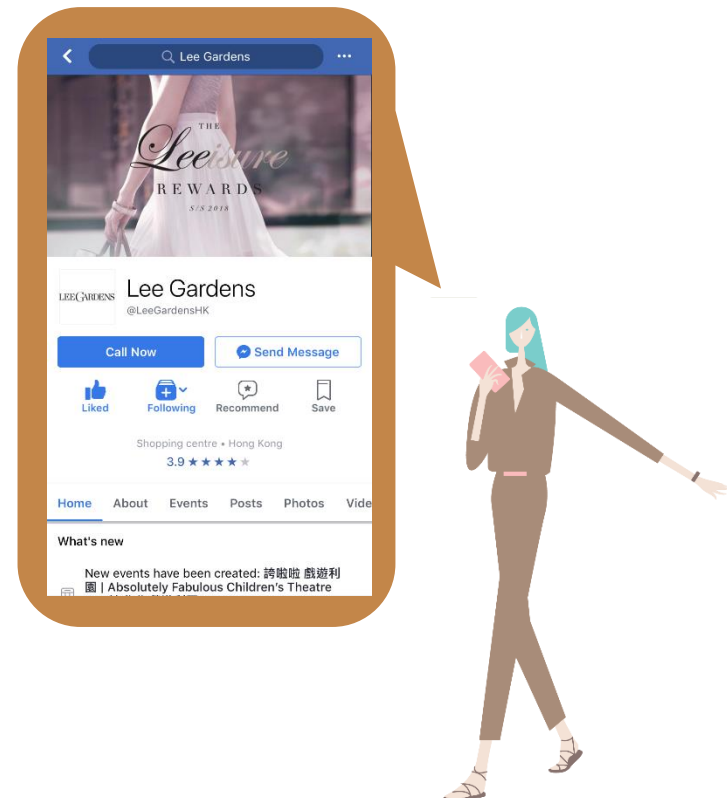
- Growth in our loyalty programmes:
 - Healthy double-digit percentage growth in terms of VIP Club Avenue's membership and spending in Q1 2018, as compared to the same period in 2017
 - General shoppers' Lee Gardens Plus also saw healthy growth in membership in Q1 2018
- 常客獎勵計劃的增長：
 - 與去年同期比較，2018年首季，為尊貴會員而設的Club Avenue會員人數及消費額皆錄得穩健的雙位數百分比增長
 - 於2018年首季，為一般購物人士而設的Lee Gardens Plus之會員人數亦取得健康的增幅



Hysan's Business Updates: Retail Portfolio (con't)

集團業務最新進展：商舖業務（續）

- Double digit percentage growth in social media reach and following in Facebook and WeChat respectively in Q1 2018, as compared to the same period in 2017
- 與去年同期比較，2018年首季，Facebook及微信的社交媒體接觸率及關注數字分別錄得雙位數百分比增長



Hysan's Business Updates: Office Portfolio

集團業務最新進展：寫字樓業務

- Occupancy: At the end of March 2018, excluding the newly completed Lee Garden Three, the Office occupancy was 97%.
- Rental Reversion: Q1 2018 saw positive rental reversion with an average percentage growth in the teens
- 出租率：如不包括剛落成的利園三期，於2018年3月底為97%
- 續約租金：2018年首季錄得平均十數百分比的增幅

Hysan's Business Updates: Office Portfolio (con't)

集團業務最新進展：寫字樓業務（續）

- Banking and Finance now takes up the most space (slightly more than 20% of the total lettable area) in Hysan's quality office portfolio, after a renowned international financial institution took up multiple floors in Lee Garden Three
- 在希慎的寫字樓業務組合中，一間知名國際金融機構租用利園三期數層後，金融業正佔用最多面積 (佔可供出租總樓面面積輕微多於20%)

Hysan's Business Updates: Residential Portfolio

集團業務最新進展：住宅業務

- Occupancy: At the end of March 2018, the residential occupancy was 76%
- Rental Reversion: Q1 2018 saw positive rental reversion with an average percentage growth in low single digit
- 出租率：於2018年3月底為76%
- 續約租金：2018年首季錄得平均低單位數的百分比增幅

Hysan Business Updates: Development of Lee Garden Three

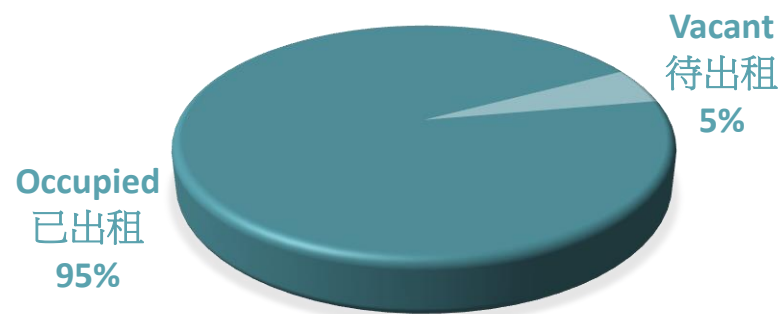
集團業務最新進展：利園三期發展項目

OCCUPANCY FOR RETAIL
AT THE END OF APRIL 2018
截至2018年4月底的商舖出租率



- Occupancy: As at the end of April 2018, Lee Garden Three Retail's commitment is 75%
- 出租率：截至2018年4月底的商舖承租率為75%

OCCUPANCY FOR OFFICE
AT THE END OF APRIL 2018
截至2018年4月底的寫字樓出租率



- Occupancy: As at the end of April 2018, Lee Garden Three Office's commitment is 95%.
- 出租率：截至2018年4月底的寫字樓承租率為95%



Thank you

