

2021 ANNUAL RESULTS ANALYST BRIEFING

Hysan Development Company Limited

24 February 2022



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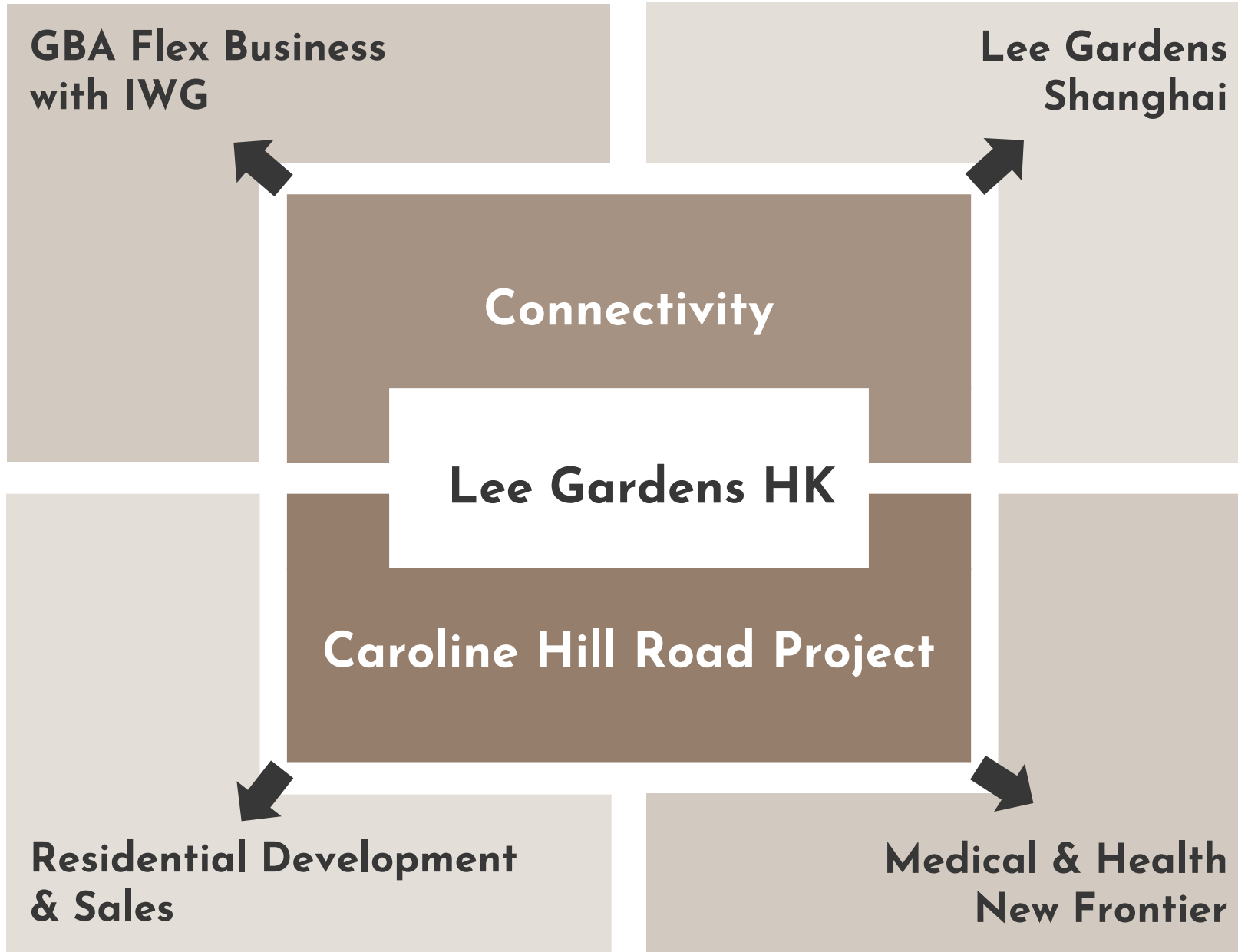
All designs shown in the renderings used in this presentation deck are subject to future changes.

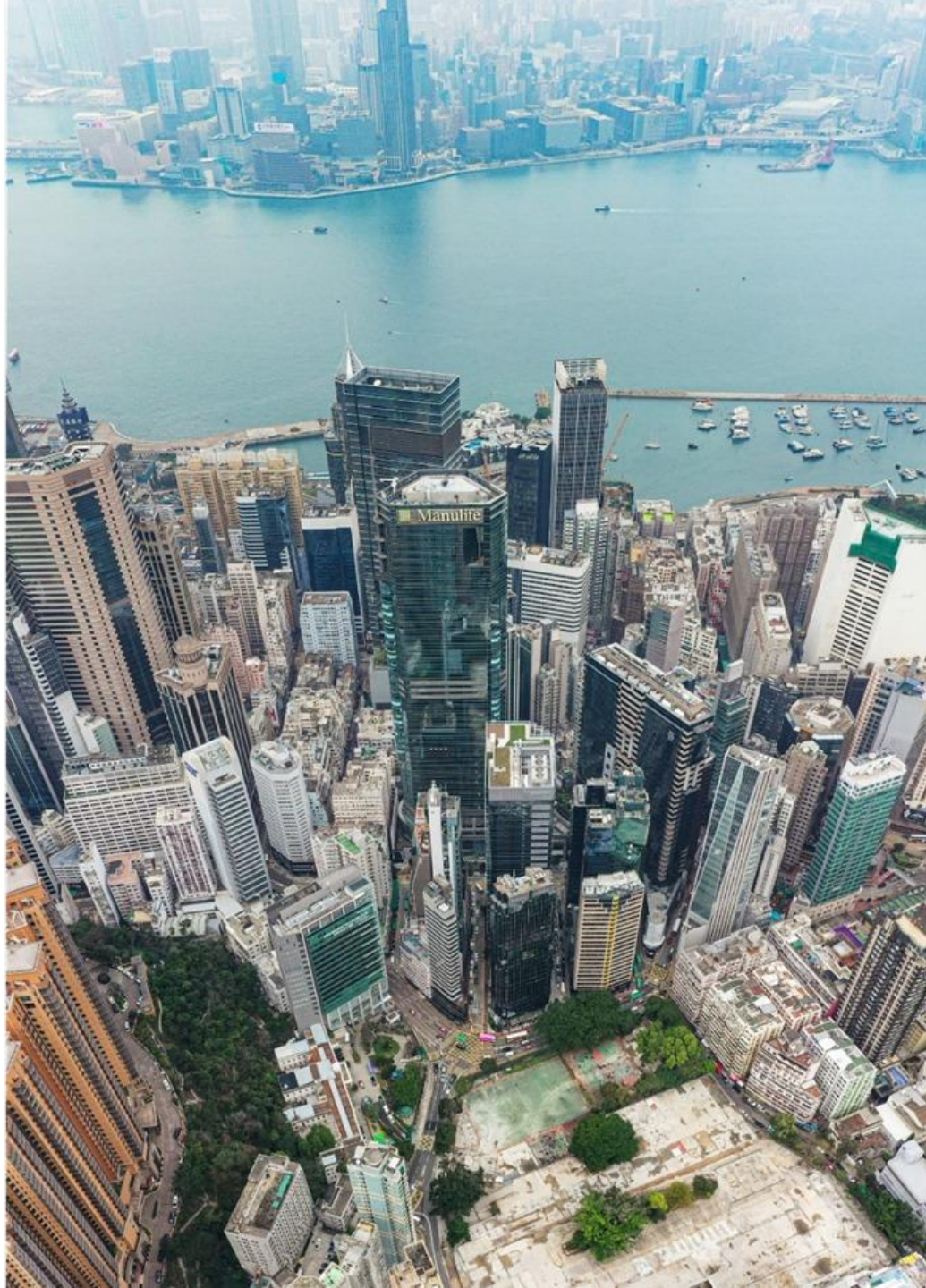
Keynote Address

Hysan Development Chairman

Ms. Irene Lee

2021
was a milestone year for Hysan





Successful tender in May 2021 for Caroline Hill Road Project which :

- **Significantly expands our core portfolio**
- **Creates new opportunities for the transformation of Lee Gardens**

We identified strategic pillars to deliver a more balanced, diversified, risk adjusted and complementary portfolio for medium to long term

GBA Flex Business with IWG



Lee Gardens Shanghai



Residential Development & Sales



Medical & Health - New Frontier



Our 2021 Performance

**Results satisfactory
taking into
consideration
COVID backdrop and
other economic and
geopolitical
uncertainties**

Proactive Management of Leases

Dedicated Property Management

Inclusive Community Curation

| Our Support for the Community During the Pandemic

**Top priority is to
defeat the virus and support the community**

| In 2021

- **Dynamic and multi-faceted solutions in support of our tenants**
- **Provided for free 1000+ medical-grade air purifiers to our F&B and service tenants**
- **99% of our staff members received two vaccination doses**
- **Partnered with Adventist Hospital to host HK's first mall-based vaccination promotion centre**
- **Donated health-check packages through Adventist and Po Leung Kuk to underprivileged and frontline workers in preparation for vaccination**

Our Support for the Community During the Pandemic

The 5th Wave



- **Set up HK's first Satellite Community Vaccination Centre (Govt and private sector in cooperation) at Leighton Centre**
 - provides 1,300 doses for the public daily
 - took <1 month from drawing board to start of operation
- **In discussion with HK Government to expand vaccination facilities at Lee Gardens**
- **Preparing for further community support e.g. care packages for the elderly and equipment for community organisations**

Lee Hysan Foundation, the Lee Family's private foundation, continues to also contribute to the community during these difficult times



Business & Operation Review

By Mr. Ricky Lui
Executive Director & Chief Operating Officer

2021 Annual Results

Group

Revenue

HK\$ 3,608M (-2.7%)

Recurring Underlying Profits

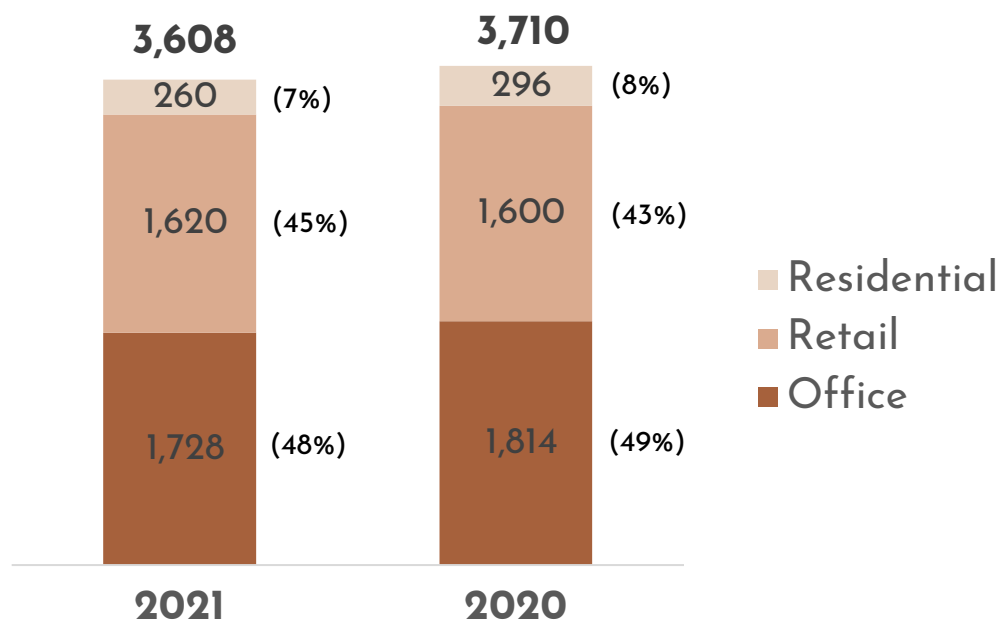
HK\$ 2,330M (-2.8%)

DPS

HK\$ 1.44 (flat)

By Sector

Revenue (HK\$M)



Year-end Occupancy

Office	94% (2020 : 95%)
Retail	99% (2020 : 96%)
Residential	71% (2020 : 74%)

- COVID continued to pressure the business environment
- Retail sector started to recover in 2021, but we are facing the 5th wave now

Office

Resilient occupancy

(-1%) despite continued trend of office downsizing & hybrid work mode

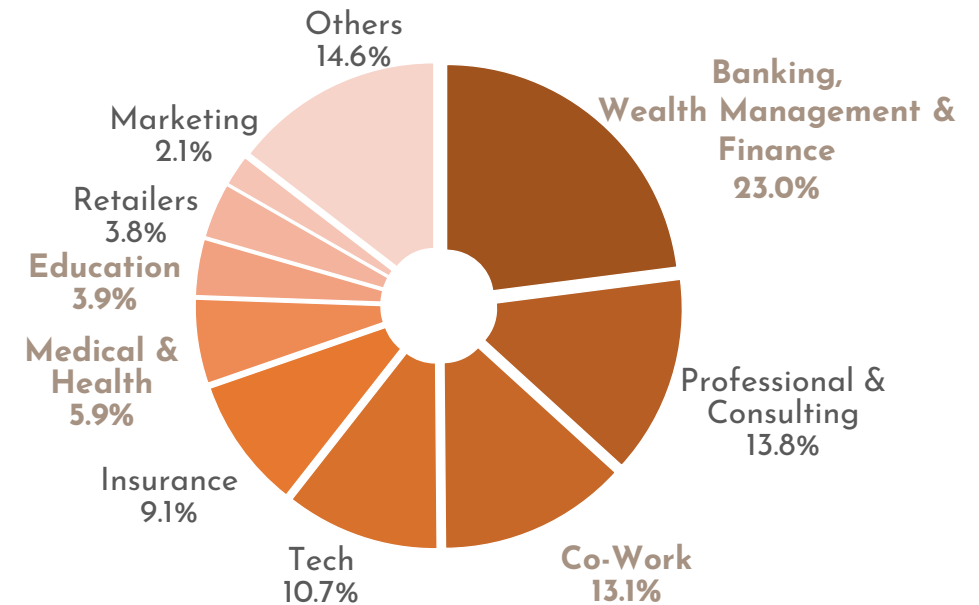
Proactive management of leases

2022 expiry area 35% already committed

Attract demand from “new economy” with our unique smart community model and tech readiness

- **Preferred location for thriving flexible workspace operators** (c.50,000 sq.ft. added in 2021)
- **Ideal venues for services sectors**
Wealth management, education and medical & health sector

Office Tenant Profile by Area (2021 Year-end)



Retail

NEAR FULL
OCCUPANCY

as at 2021 year-end

99%

HK retail sales generally improved, albeit minimal tourist spending

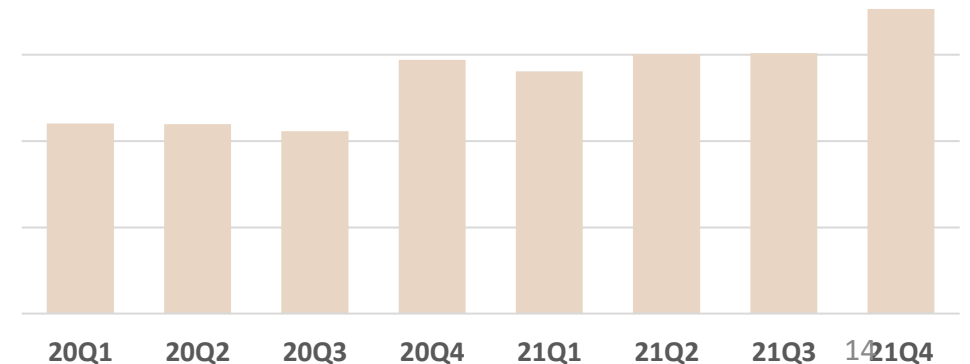
Hysan's strong & growing local consumer base and popular loyalty programmes provided resilience to our portfolio



Hong Kong & Hysan Tenant Retail Sales (2021, YoY)

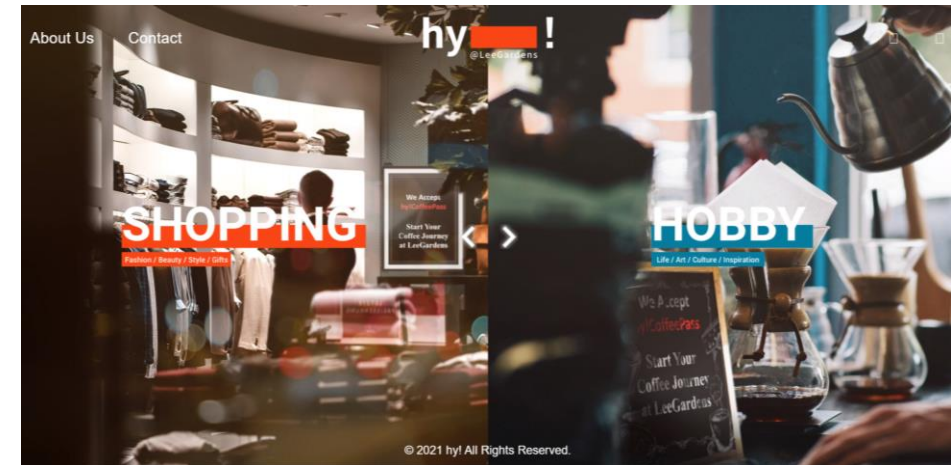
Type of retail outlet	Hong Kong	Hysan (estimated)
Clothing, footwear and allied products	+21%	+31%
Food & Beverages	+17%	+41%
Jewellery, watches and clocks, and valuable gifts	+27%	+73%
Medicines & cosmetics	+3%	-13%
Supermarket	-8%	-5%

Hysan Quarterly Tenant Sales Trend (2020 & 2021)



Marketing Strategy with an O2O Focus

- **Strategic marketing campaigns, digital & physical** brought impressive traffic to Lee Gardens and drove strong sales
- **Broadened base of VIP members** through prominent brand events and collaborations
- **Digital marketing campaign enabled a 24/7 shopping experience** “Dine Safe at Lee Gardens” & our signature “Power Up”
- **Hy! - our one-stop digital engagement platform** with comprehensive e-commerce capabilities



Residential

Remained under pressure due to the lack of professional expatriates arriving in Hong Kong

- Flexible leases were offered to customers in 2021

- Tenant referral programme to attract new tenants



Business & Operation Review

Core Reinforcement

Caroline Hill Road Project



**Commercial
GFA**

1.1 million sf
(Expand Lee Gardens by 30%)

**Lifestyle Park &
Greenery**

60,000 sf

**Carparking
Spaces**

600+

Est. Completion

2026-2027

Enhancing Connectivity & Walkability



Approved
Covered
Walkway

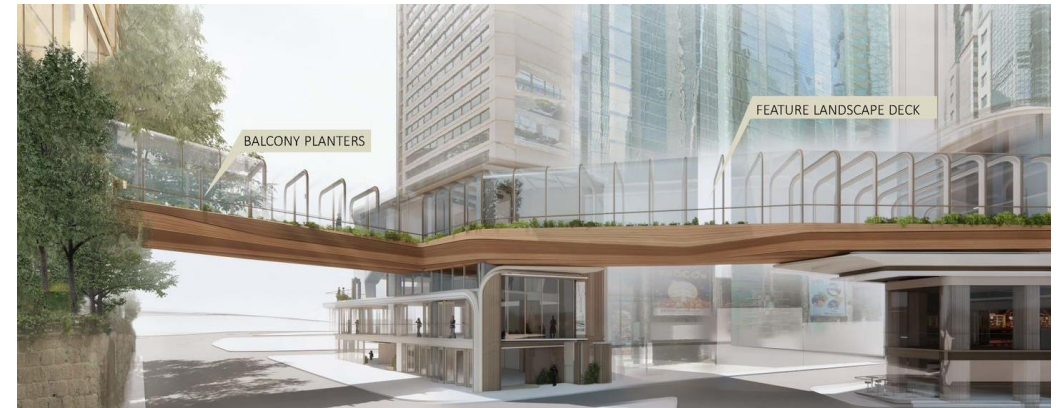
Approved
Footbridge
System

LEGEND

- ■ ■ ■ ■ EXISTING UNDERGROUND WALKWAY
- — — — — EXISTING INTERNAL WALKWAY / FOOTBRIDGE
- — — — — APPROVED COVERED WALKWAY
- — — — — APPROVED FOOTBRIDGES

➤ **A FULLY CONNECTED Lee Gardens Area by 2026**

➤ **A CURATED WALKABLE JOURNEY from Hysan Place to Carline Hill Road Site**



Business & Operation Review

Building The Pillars

LEE GARDENS SHANGHAI



Strategic Location - In the Heart of Jing'an

3-minute walk from Shanghai Natural History Museum Station
One station away from Nanjing West Road and Dazhongli
Grade A commercial area positioning already established

Project Particulars

c.540,000 sf
Ready-to-rent
Grade A office

24-storey
Commercial Complex

324
Parking Lots

Up-and-coming Commercial Precinct

c.6,000,000 sq.ft. precinct supported by Government Planning
Organic mix of high-rise and heritage buildings
Similar to Lee Gardens Hong Kong

TAI PO RESIDENTIAL PROJECT

OP Date

1H 2022

**Prestige Residences with
Magnificent Mountain & Seaview**

Benefit from the Northern Metropolis Scheme

262

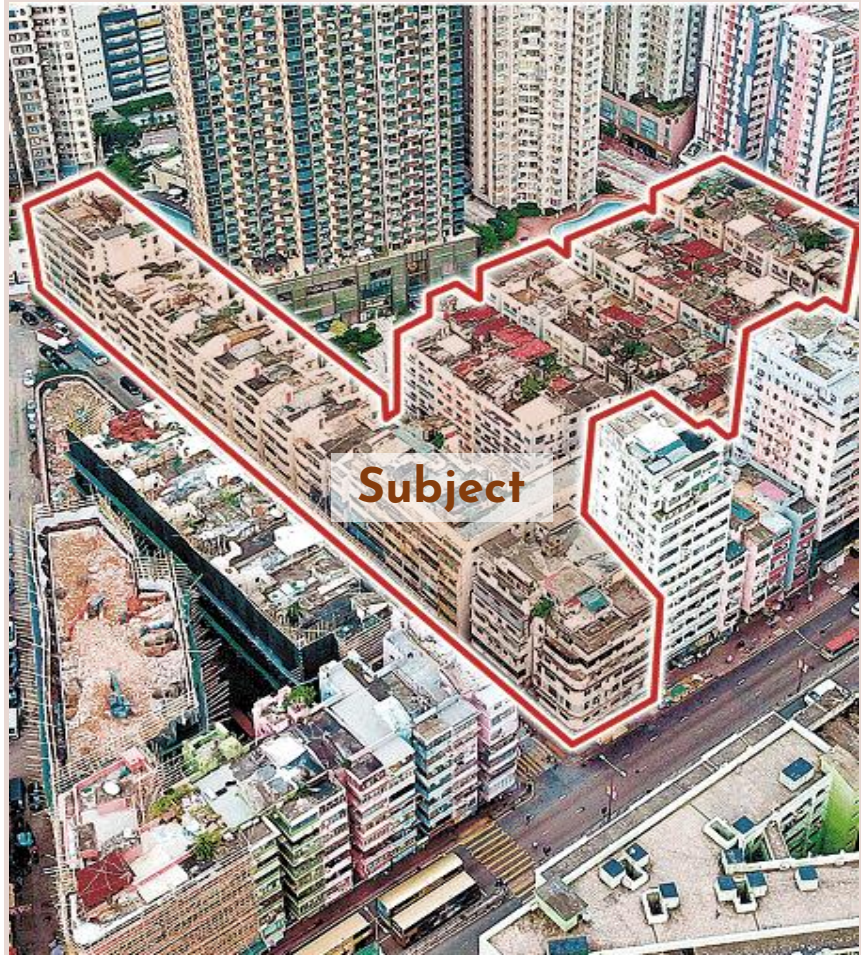
Houses & Flats

350

*Parking
Lots*



TO KWA WAN URA RESIDENTIAL PROJECT



25% Stake in Joint Venture

with Henderson Land and Empire Holding

c.600,000 sq.ft.

RESIDENTIAL GFA

c.120,000 sq.ft.

RETAIL GFA

With our successful experience in the curation of Lee Gardens portfolio, Hysan will oversee the design and operation of the retail portion of the project

GBA FLEX JOINT VENTURE WITH IWG



No. of Existing Centres as at February 2022



➤ Partnering with IWG

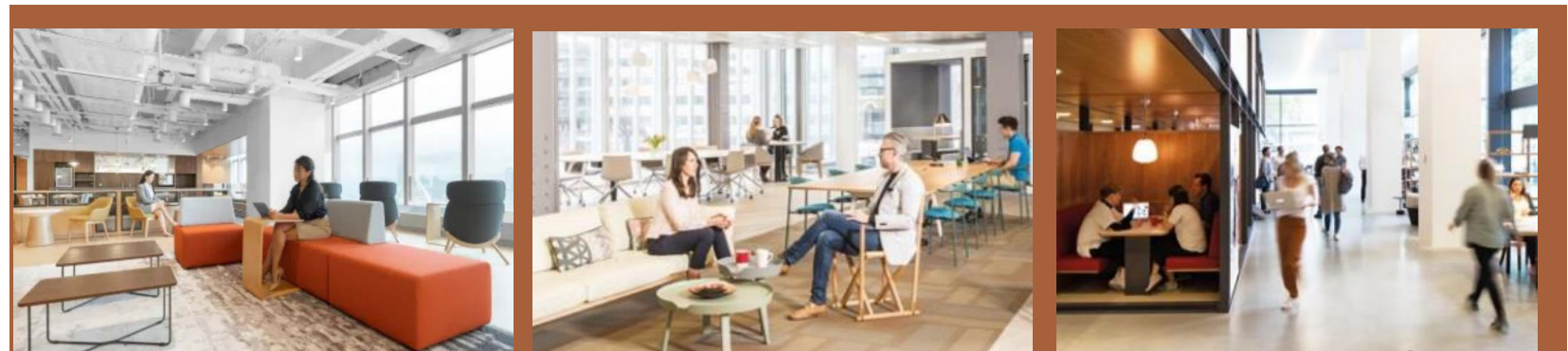
The top global flexible workspace operator with more than 30 years in the industry

➤ Exclusive Operator of all IWG Brands in the GBA

GBA economic potential is huge with the PRC government's policy support and agglomeration of tech ventures and MNCs

➤ Modern shared-economy : "Hybrid" & "on-demand" work mode; accelerated by pandemic

➤ A product to address "The Future of Work" and changing social behaviour



INVESTMENT IN NEW FRONTIER GROUP

- New Frontier is a leading private healthcare services provider based in China
- Comprehensive services ranging from private hospital and clinics, post acute facility-based care to home-based care services.
- The investment provides strategic exposure for Hysan in the fast-growing healthcare sector in Mainland China



ASSET-LIGHT INVESTMENT STRATEGY

Partner with leaders

-

Complementary with our property portfolio

-

Enriching our Smart Community Business Model

Business & Operation Review

Sustainability

Environmental, Social and Governance

ESG Ratings



GRESB:

- 4-stars



Hang Seng Corporate Sustainability Index:

- Rating: AA



FTSE4Good:

- ESG Rating: 3.0 (out of 5)



Sustainalytics:

- Rating: Low Risk



MSCI ESG Ratings:

- Rating: A

Recognition of Hysan's Sustainable Efforts

- **Grand ESG Award, Best ESG (Environment), Best ESG (Social), Best ESG (Governance)**
- HKIRA IR Awards 2021
- **Most Sustainable Companies/ Organizations Award**
- HKICPA Best Corporate Governance & ESG Awards 2021
- **Environment, Social and Governance (ESG) Report - Excellence Award**
- HKMA Best annual Reports Awards 2021
- **100% of Hysan's office and retail buildings were accredited with the WELL Health-Safety Rating ("HSR")**

Sustainable Finance

**The Largest Green Loan
in Hong Kong**

HK\$ 12.9b

Green
Bonds

HK\$ 1.6b

Sustainability -
Linked Loan

HK\$ 965m

Sustainability -
Linked Hedge

US\$ 125m

Sustainable
Bonds

HK\$ 400m

Sustainable Finance Transactions to date: **HK\$ 16.8b**

>40% of Total Debts and Facilities

*As at 24 Feb 2022



Financial Management

By Mr. Roger Hao
Chief Financial Officer

Financial & Capital Management

Shareholders'
Fund

HK\$ 73.9b (+ 0.3%)

NAV
per share

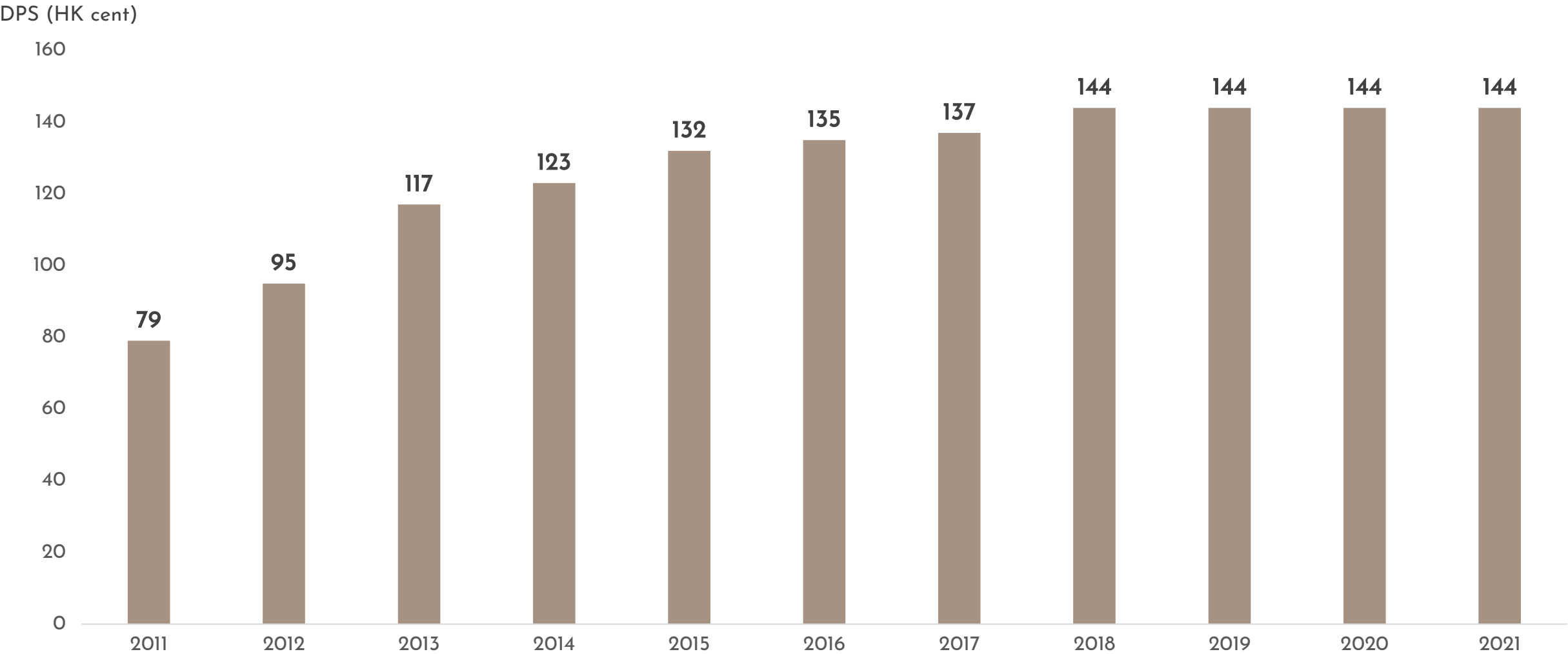
HK\$ 71.4 (+ 0.7%)

DPS

HK\$ 1.44 (flat)

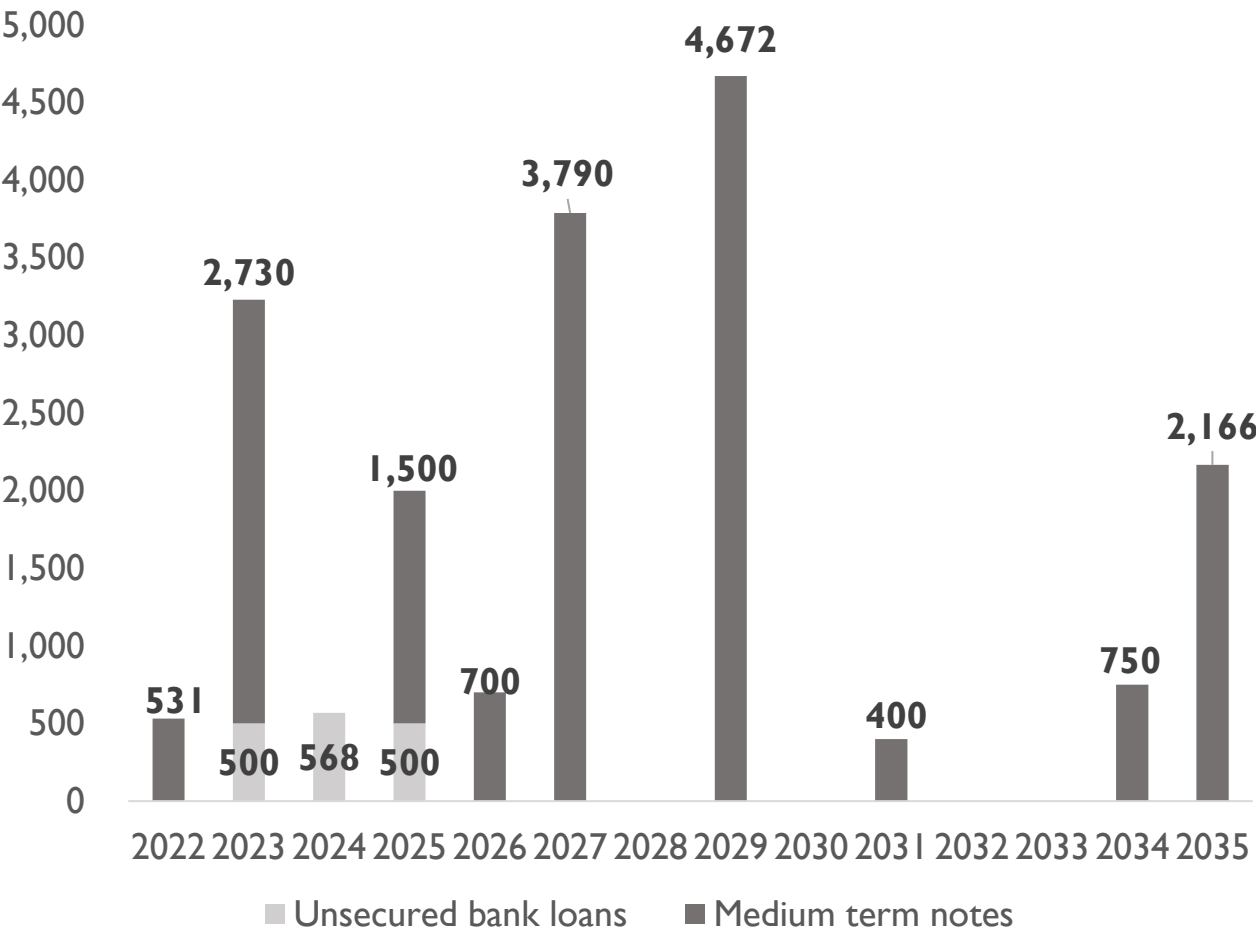
Dividend

Stable & Progressive DPS Track Record



Financial & Capital Management

Debt Maturity Profile as at 31 Dec 2021
(HKD'm)



Key Financial Metrics

Net Gearing	Effective Interest Rate
11.7%	2.9%
Fixed Rate Debt Ratio	Average Debt Maturity
75%	6.1 years
Undrawn Committed Facilities	
HK\$ 5.6b	

Credit Ratings

Moody's	Fitch
A3	A-

Thank You



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