

# 2021 ANNUAL RESULTS PRESS BRIEFING

Hysan Development Company Limited

24 February 2022



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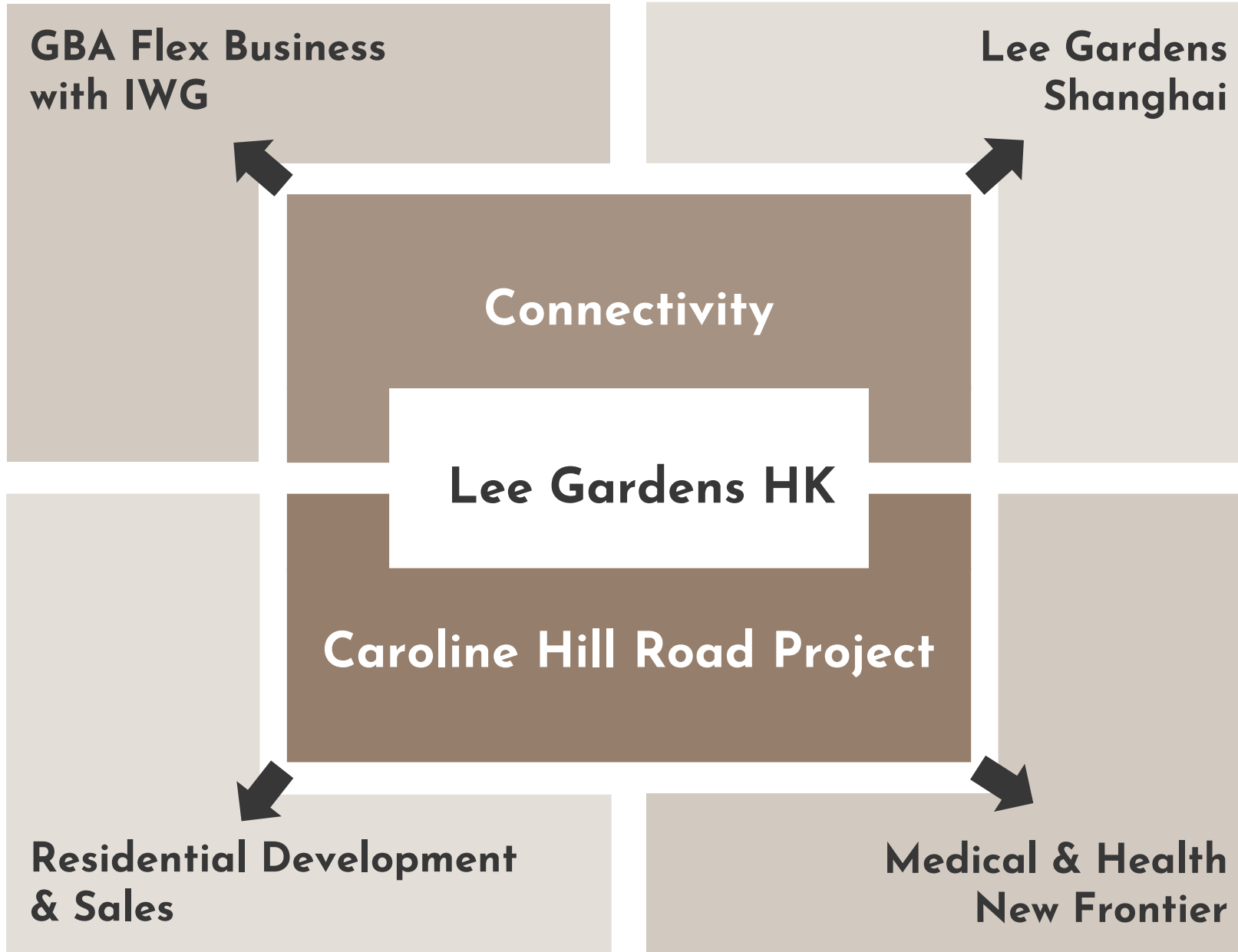
All designs shown in the renderings used in this presentation deck are subject to future changes.

**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 5<sup>th</sup> 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

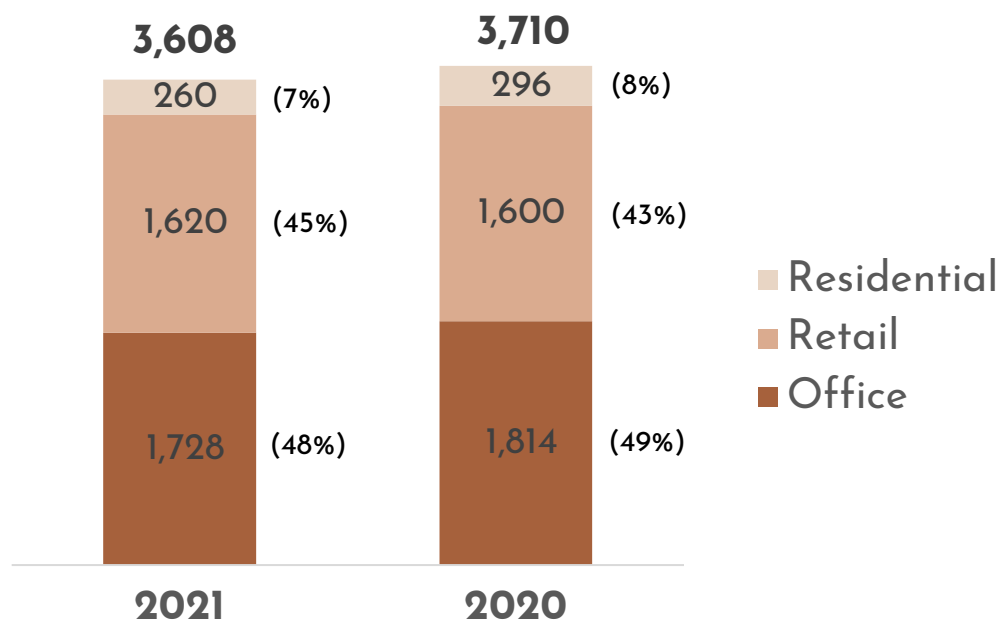
**HK\$ 2,330M** (-2.8%)

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 5<sup>th</sup> wave now

# Office

## Resilient occupancy

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

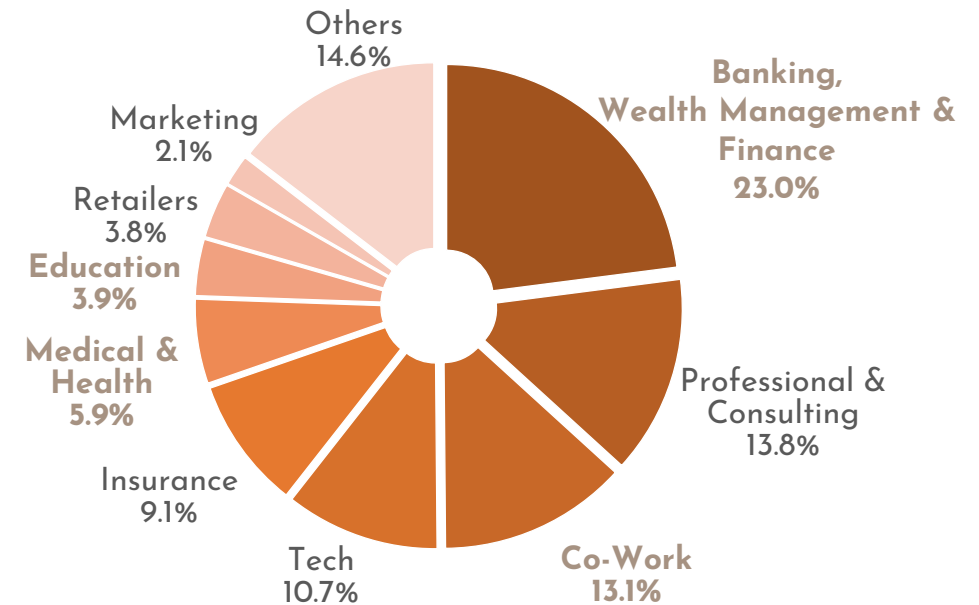
## Proactive management of leases

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

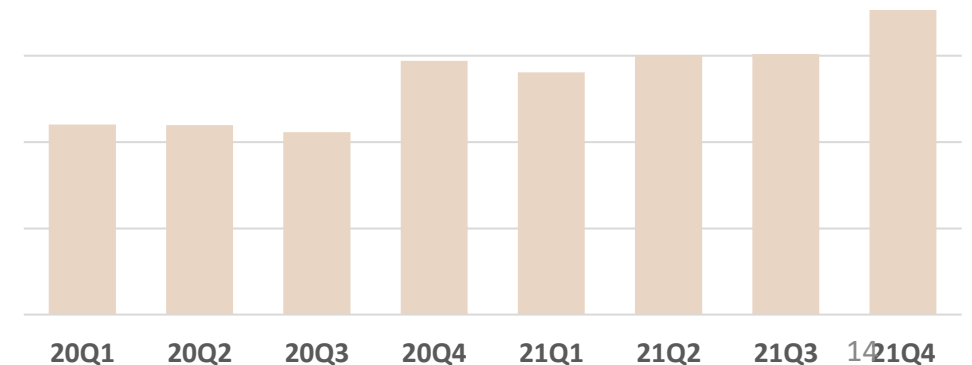
**Hysan's strong & growing local consumer base** and popular loyalty programmes provided resilience to our portfolio



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

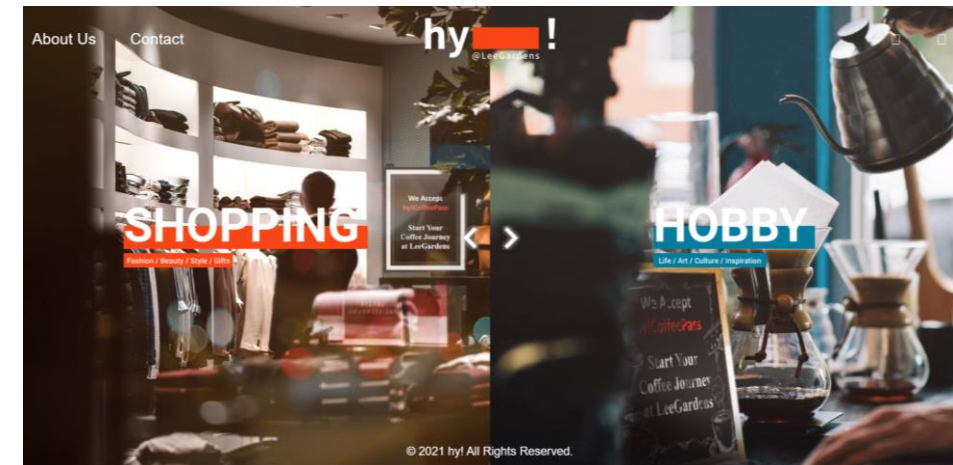
Type of retail outlet	Hong Kong	Hysan (estimated)
Clothing, footwear and allied products	+21%	+31%
Food & Beverages	+17%	+41%
Jewellery, watches and clocks, and valuable gifts	+27%	+73%
Medicines & cosmetics	+3%	-13%
Supermarket	-8%	-5%

## 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

➤ **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**

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

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

## 324

### Parking Lots

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**

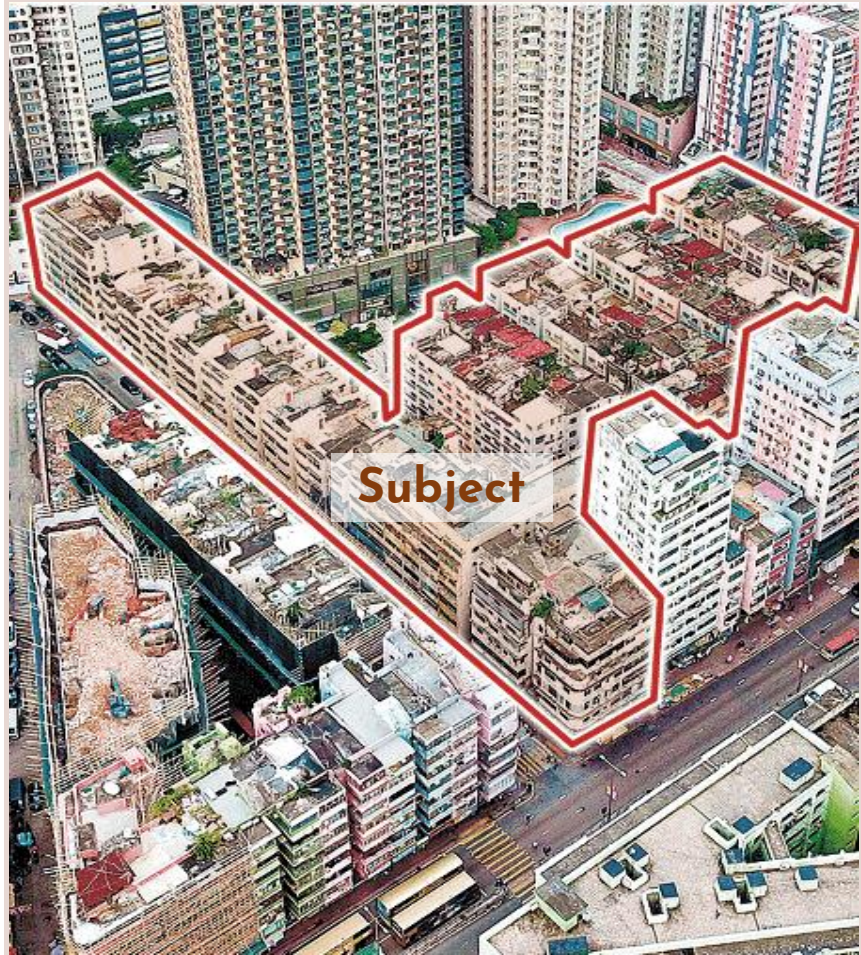
*Houses & Flats*

**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

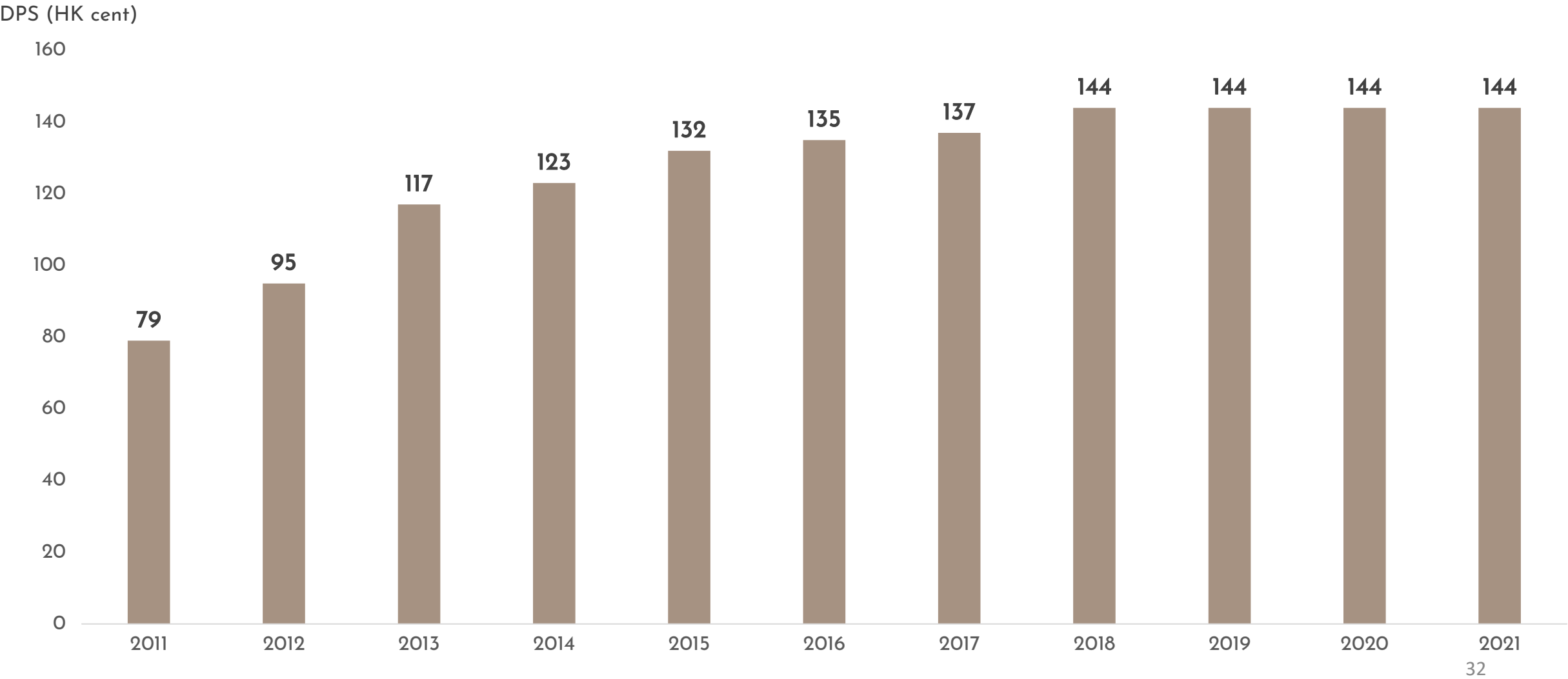
**HK\$ 71.4** (+ 0.7%)

DPS

**HK\$ 1.44** (flat)

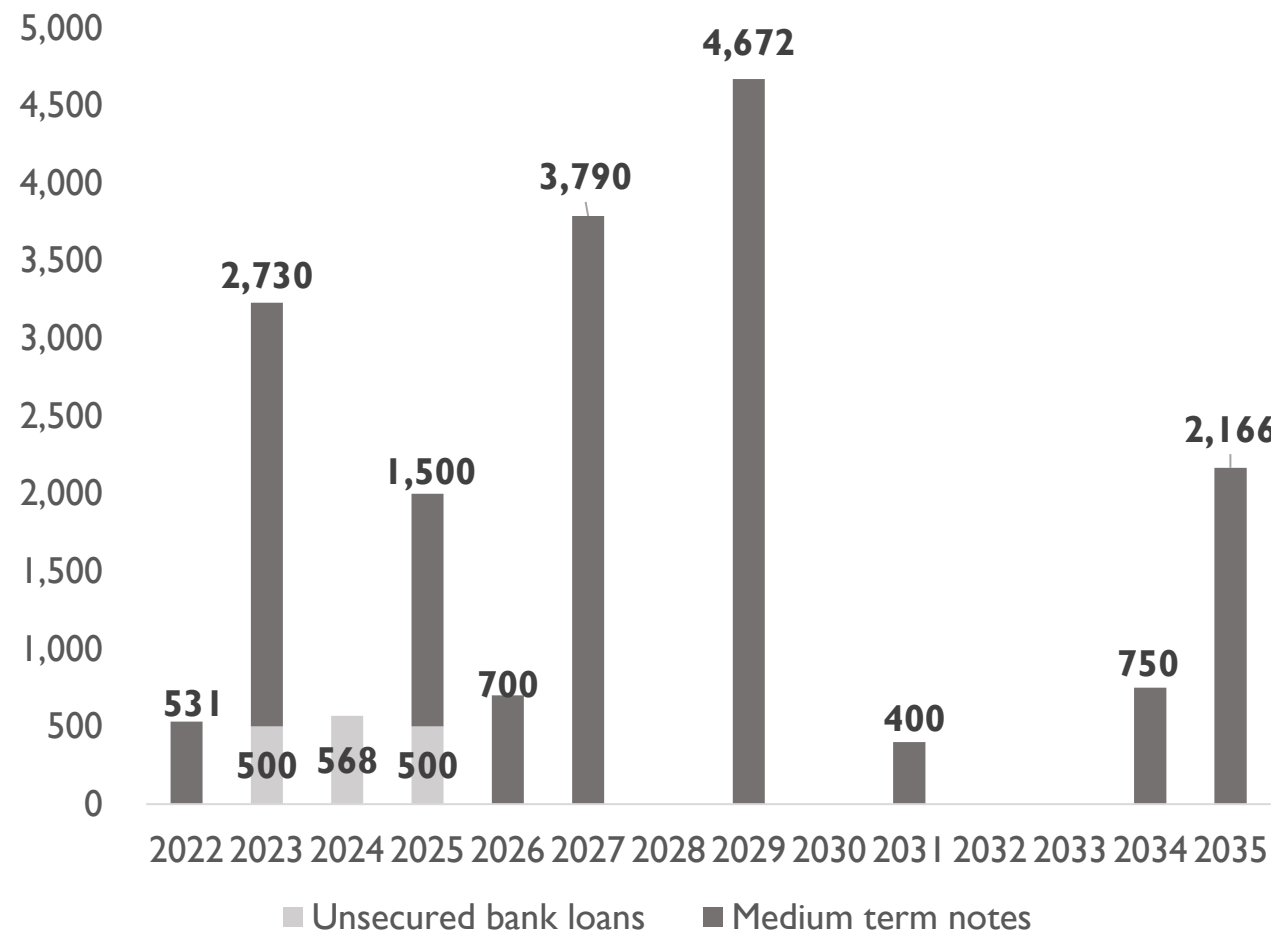
# Dividend

## 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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