



# 2022 INTERIM RESULTS PRESS BRIEFING

Hysan Development Company Limited

22 August 2022

 **Hysan** 希慎



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## Keynote Address

Chairman of Hysan Development  
Ms. Irene Lee

- Hong Kong celebrates the 25<sup>th</sup> anniversary of HKSAR and ushers in new administration for the city
- Among the expectations for new administration: strengthen the momentum of policy development which aligns with National strategies and addresses critical and urgent issues of livelihood, housing and youth
- Ensure Hong Kong remains a successful international city
- Confirms Hong Kong's One Country Two Systems

# **COVID-19 5th Wave in first months of 2022 interrupted HK economic recovery seen in 2021**

**But since Q2 2022, signs of recovery with:**

-  **Relative moderation of pandemic**
-  **Gradual relaxation of government measures**

**Still concerns about outlook:**

-  **COVID-19 figures slowing rising**
-  **Global uncertainties affect economic picture**

# *Hysan's Proactive Management of our Core Business in Lee Gardens Help Drive Traffic back into Area*

Smart  
Community  
Business  
Model

Tenant Mix  
and  
Experience  
Curation

Quality  
Service

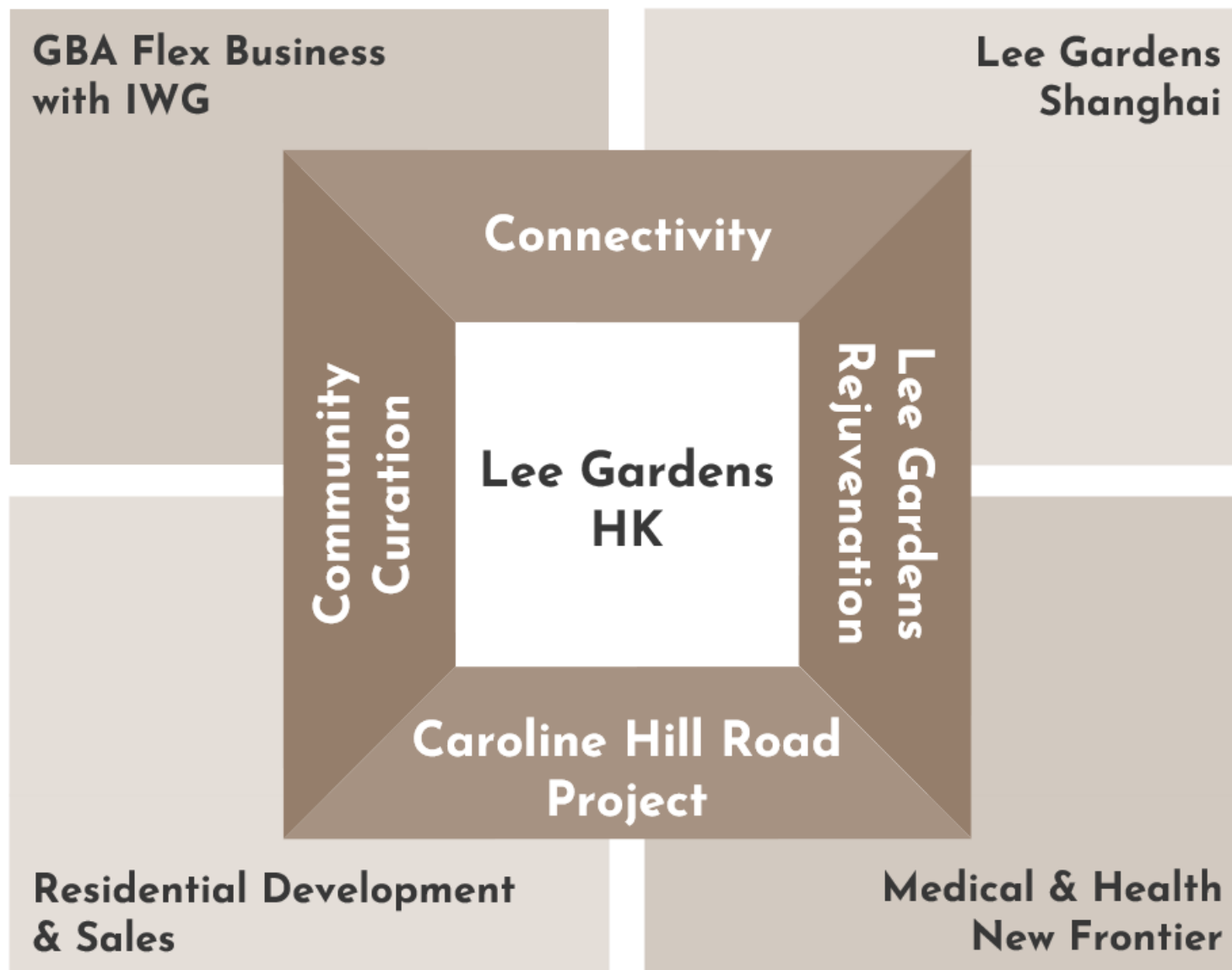
Throughout malls  
and properties

More than:

**25%** 

**Estimated tenant sales in Q2**  
(when compared to Q1)

## Core Reinforcement and Growth Pillars Strategy



## Core Reinforcement



**Core Portfolio:**

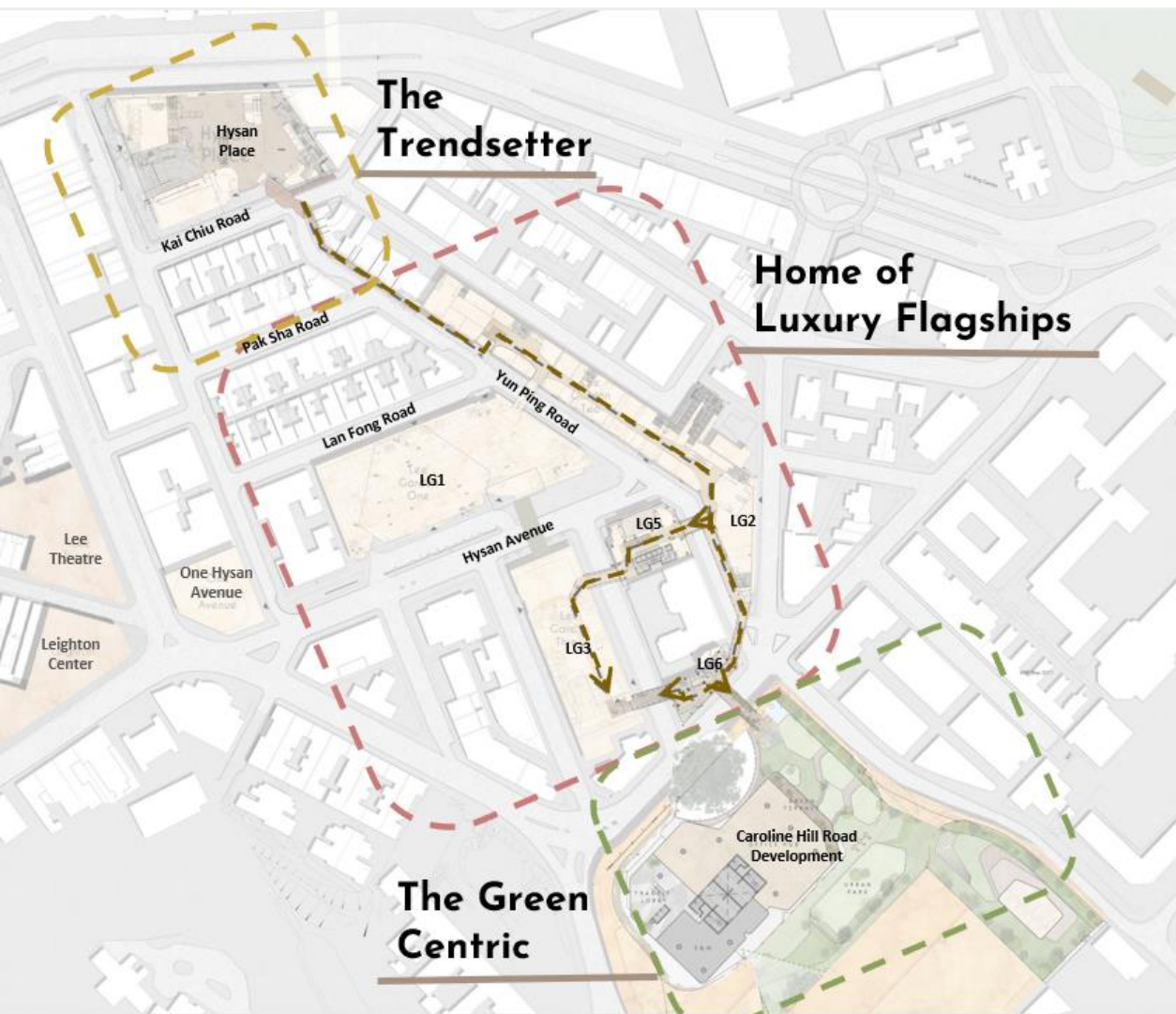
**Caroline Hill Road Project  
adds 30% to Core Portfolio**

**WORK  
STARTED**

**Q3 2022**



# Lee Gardens Rejuvenation



## Hysan Place:

Transformation after 10 years  
Trendsetting themes for different zones

## Lee Gardens:

Home of luxury flagships, quality dining,  
special events and experiences

## Connectivity:

Walkway to connect entire Lee Gardens  
including our new Caroline Hill Road buildings

**Sustainability remains at the heart of our  
core portfolio's extension and expansion**



## Strategic Pillars:

Making good progress to deliver a more balanced, diversified and complementary portfolio

### VILLA LUCCA



### To Kwa Wan URA Residential Project



### Lee Gardens Shanghai



### GBA Flex Business with IWG



### Medical & Health - Investment in New Frontier



**We export our successful  
Work-Live Smart Community Business Model  
to other projects within Hong Kong and beyond  
- To Kwa Wan, Shanghai and more to come**

- **With gradual relaxation of restrictions, Hong Kong's situation is improving**
- **Other major international cities are seeing their economies bounce back strongly**
- **Hong Kong's economy will rebound and will maintain its status as a global financial and trading hub as well as a top tourist destination**





## Business & Operation Review

Executive Director & Chief Operating Officer  
Mr. Ricky Lui

# 2022 Interim Results

## Group

Revenue

HK\$ 1,777M (-3.1%)

Recurring Underlying Profits

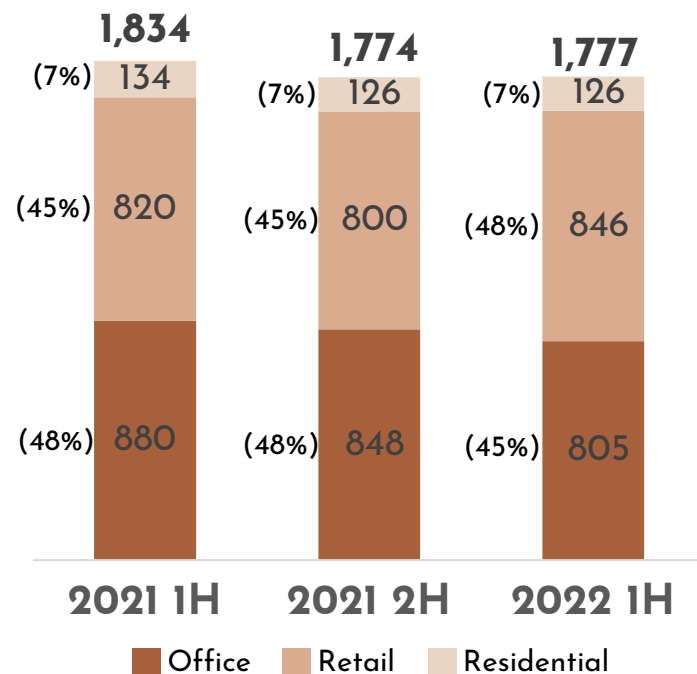
HK\$ 1,169M (-0.7%)

DPS

HK 27 cents (flat)

## By Sector

Revenue (HK\$M)



HoH:  
Retail: +5.8%  
Office: -5.1%

YoY:  
Retail: +3.2%  
Office: -8.5%

**A Balance Dual-Engine Business which is Fluid and Dynamic**

for optimizing space allocation and tenant mix

## Period-end Occupancy

Retail	98%	(2021 Dec : 99%)
Office	91%	(2021 Dec : 94%)
Residential	71%	(2021 Dec : 71%)

# Retail

NEAR FULL  
OCCUPANCY

as at June 30

98%

Q1

COVID-19 5<sup>th</sup> wave: strict government restrictions and lack of incoming visitors leading to serious impact on footfall

Q2

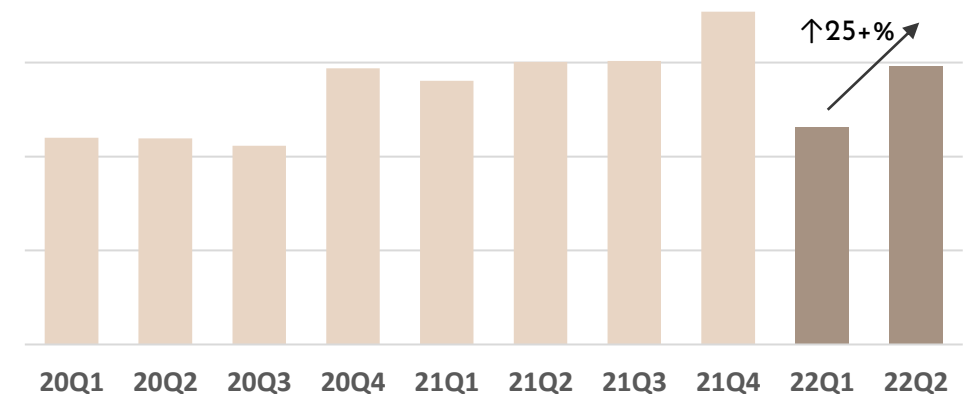
Drop in COVID-19 cases with loosening of restrictions and consumption vouchers added far more vibrancy and spending

We believe once quarantine measures are lifted, the rebound will be significant

## Hong Kong & Hysan Tenant Retail Sales (1H 2022, YoY)

Type of retail outlet	Hong Kong	Hysan (estimated)
Clothing, footwear and allied products	-13%	-4%
Food & Beverages	-14%	-19%
Jewellery, watches and clocks, and valuable gifts	-7%	-8%

## Hysan Quarterly Tenant Sales Trend (2020 - 2022)



# Hysan Attracted New F&B, Beauty, Sports and Kids' Concept Stores



## 25 New Tenants

Introduced to the Lee Gardens Area in 2022





# Marketing Initiatives and Loyalty Programmes

- Our online and digital platform is impactful and has been engaging a new group of customers
- Our well-established loyalty clubs have provided a solid base for our business and have also reinforced our relationships with tenants and customers
- Through strategic partnerships with third parties and brands, we have successfully leveraged on each other to generate effective business results

*Savour the  
Spring  
Sensations*

**+4%** (YOY)  
promotional sales

**+10%** (YOY)  
members engaged

*Power Up*

**100+**  
tenants engaged

*Club  
Avenue*

**+12%** (Q2 vs Q1)  
members' spending

*Lee Gardens  
Club*

**+29%** (Q2 vs Q1)  
members' spending

*Proactive  
Partnerships*

**100+**  
partners

# Office

**Proactive management of leases**  
2022 expiry area 63% committed

**Continues to be popular among wealth management, flexible workspace and “new economy” operators**

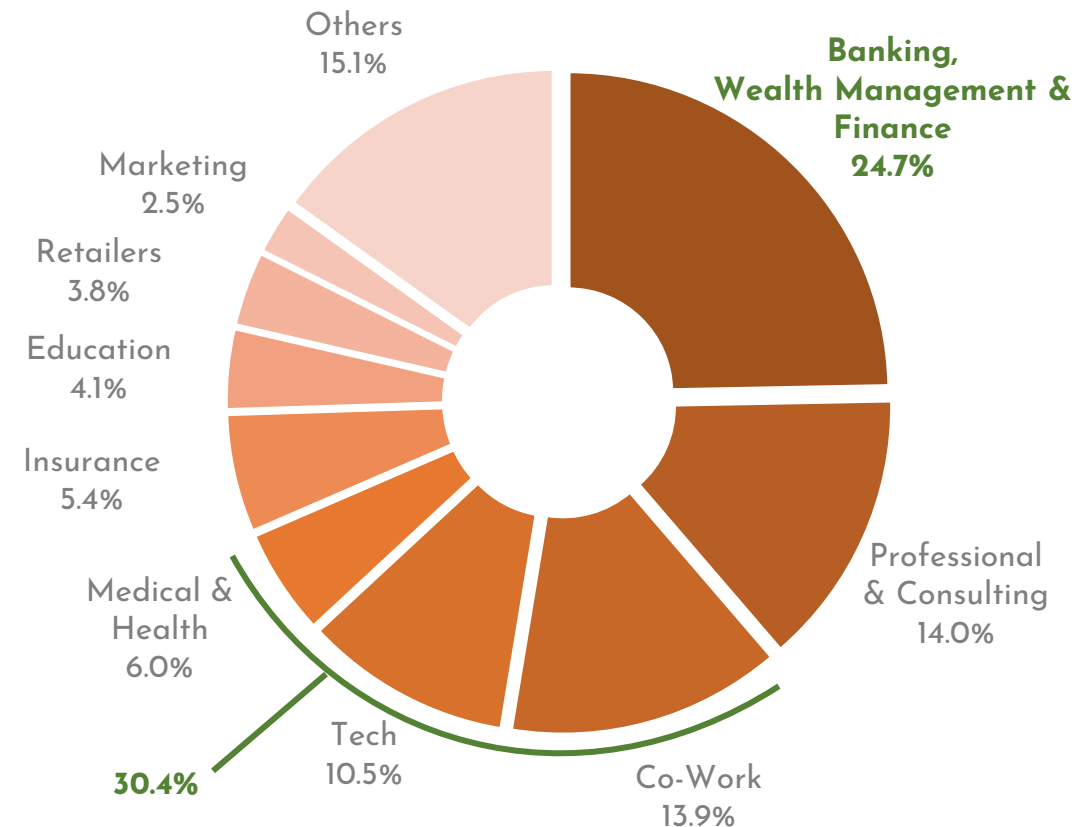


(Standard Chartered opens new Wealth Management Centre at Lee Garden One)

## Dual Engine Business

Dynamic and fluid, allowing us to use thoughtful and progressive ways to look into space use  
(e.g. give space to service trade where there is high demand)

## Office Tenant Profile by Area (as at 30 June 2022)



# Residential

HK Luxury residential leasing market remained quiet partly due to lack of expats arriving in HK

Bamboo Grove, an expat-focused rental building, offers more flexible terms to tenants and more incentives for agencies



Business & Operation Review

**Core and Pillars Update**



# Caroline Hill Road Project

## Core Extension



**Structural  
Work Scheduled  
To Start In**

**Q3 2022**

**Project  
Completion**

and Connecting Walkway  
(from CWB MTR station to the site)

**Late  
2026**  
*(estimated)*

**A project expanding Lee Gardens by 30%**



**Commercial GFA:**  
1.1 million sf




**Lifestyle Park and Greenery:**  
60,000 sf

# Lee Gardens Rejuvenation

## *HYSAN PLACE*

- A full-scale revamp to retain our leadership as a trend-setter
- A seamless vertical journey linked by a series of Attractions

15/F	
14/F	
13/F	New Dining Experience
12/F	
11/F	
10/F	Art & Culture
9/F	
8/F	
7/F	In & Out Dining
6/F	Urban Youth Centric
5/F	
4/F	
3/F	Trendy Hub
2/F	
1/F	The Meeting Place
G/F	
B1/F	 Hy! Market
B2/F	Carpark
B3/F	
B4/F	



## *LEE GARDENS*

- A destination for luxury retail flagships, quality dining, special events and experiences



Business & Operation Review

**Building The Pillars**





## Tai Po Luxury Residential Project

- Splendour of European-style mansions with high quality and privacy
- Its grounds command spectacular views of mountains and the sea
- Double honours at the Asia Pacific Property Awards for its Exceptional (Architectural) Design
- Sales programme started in August; hundreds of prospective buyers visited furnished units





# VILLA LUCCA

Residential Development and Sales

## 262

Garden houses and apartments

- 160 apartments
- 66 special units
- 34 houses
- 2 signature houses

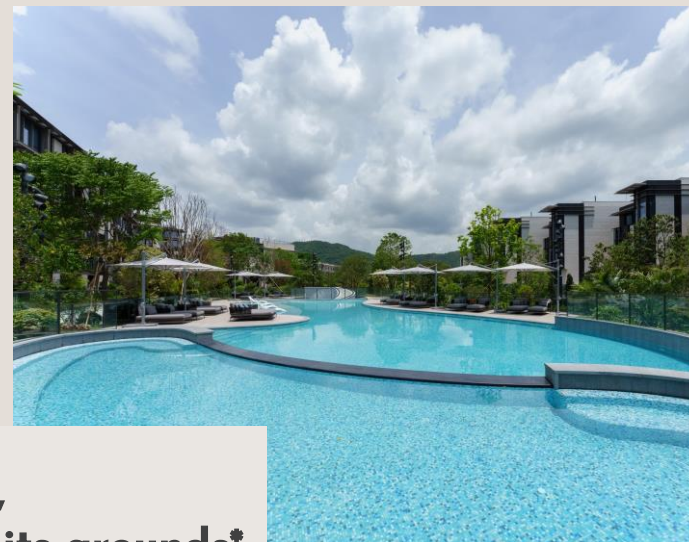
## 1,010 - 8,030 sq ft

Unit Sizes

## 34,000 sq ft

Superbly designed & equipped Clubhouse

**Commands spectacular views of Plover Cove,  
Tolo Harbour and Pat Sin Leng Range from its grounds\***



# LEE GARDENS SHANGHAI

Investment Property



**Acquisition  
Completed**

*Jan 2022*

**Upgrade Work  
Started**

*Jul 2022*

**Estimated Time  
for First Tenant**

*2H 2022*



# GREATER BAY AREA FLEX - JV with IWG plc

Strategic Pillar

Hysan expanding footprint in the GBA and into flexible workspace business



 No. of Existing Centres as at Jun 2022

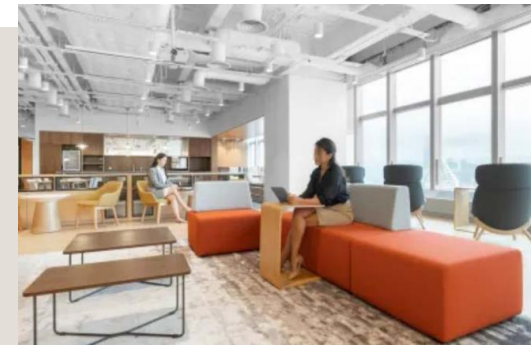
 International Workplace Group

**2** new centres

Added in Tower 535 and 8 QRE in Hong Kong

**34** locations across GBA

with intention to expand in the region's growing market



# To Kwa Wan URA Residential Project

## Strategic Pillar



- Oversee the design and operation of the retail portion of the JV project (with Henderson Land and Empire Group Holdings)
- Exporting Hysan's Community Business Model
  - Engaging the local community to the prosperity brought by the revitalization



# Investment in New Frontier Group

## Strategic Pillar

- Provides strategic exposure for Hysan in Mainland China's fast-growing healthcare sector, especially in the premium sector
- The leading private healthcare services provider in China opened Shenzhen New Frontier United Family Hospital in May 2022 serving affluent and middle-class family in Shenzhen and other parts of Greater Bay Area





# A Sustainable Community

# COVID Contributions



- Largest temporary vaccination centre in private portfolio at the Caroline Hill Road JV Site



- Leighton Centre community vaccination centre



- Donations of air purifiers, RAT kits, food and care package to people in need



- In To Kwa Wan, partnered with NGOs to provide free inspections of drainage pipes for the elderly

# Technology in the Community

- **Jointly developed The Community Lab with Hong Kong Science and Technology Parks**
- **Helping new technology start-ups test innovations in a real world environment**
- **Lab also becomes venue for technological learning through talks and events**







## Financial Management

Chief Financial Officer  
Mr. Roger Hao

# Financial & Capital Management

Shareholders'  
Fund

**HK\$ 72.4b** (- 2.0%\*)

NAV  
per share

**HK\$ 70.3** (- 1.5%\*)

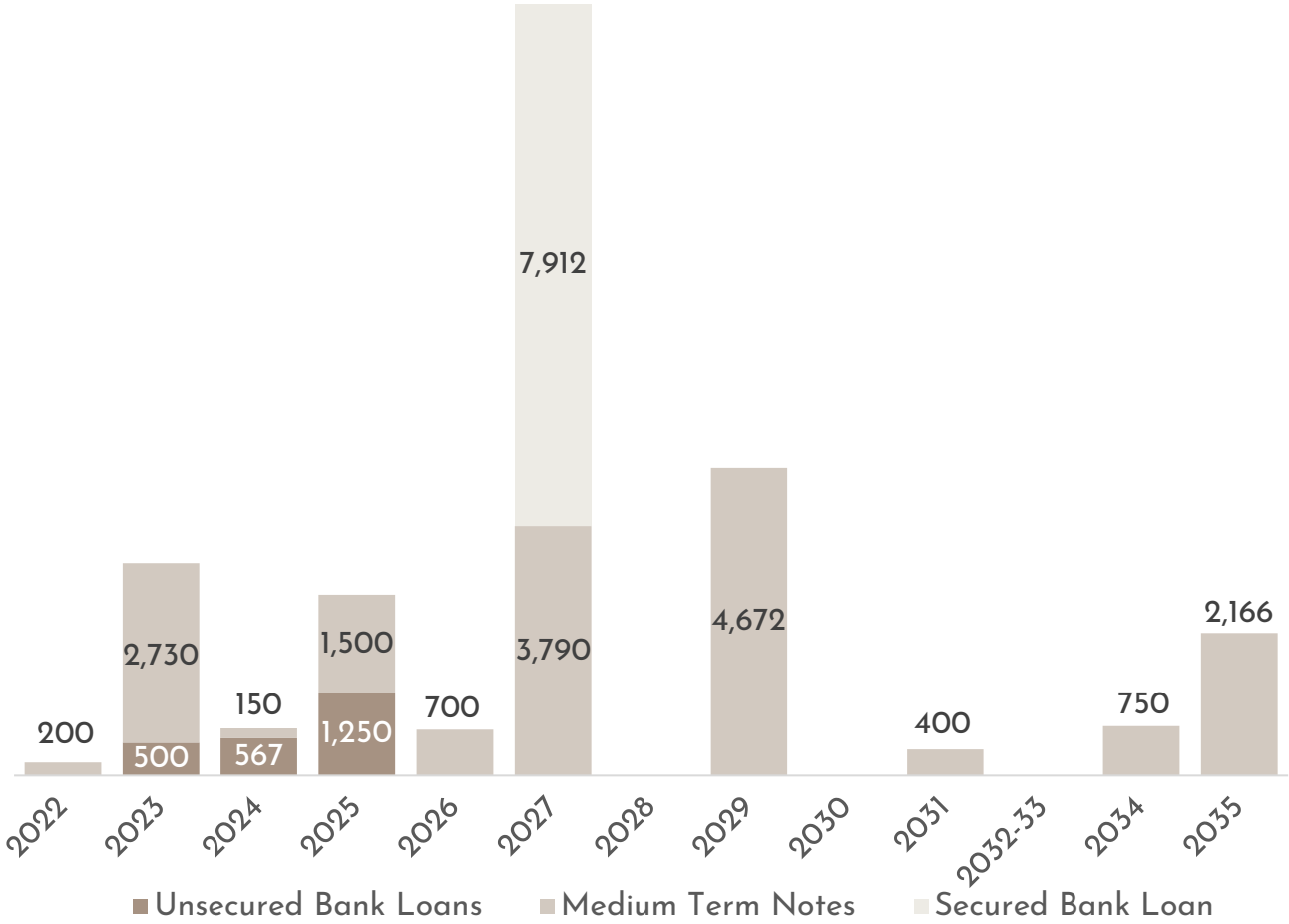
DPS

**HK 27 cents** (YoY: flat)

(\*from 31 Dec 2021)

# Financial & Capital Management

Debt Maturity Profile as at 30 Jun 2022  
(HKD'm)



## Key Financial Metrics

Net Gearing	Effective Interest Rate
23.8%	2.4%
Fixed Rate Debt Ratio	Average Debt Maturity
60%	5.3 years
Undrawn Committed Facilities	Sustainable Finance
HK\$ 9.6b	46% of total debts and facilities
Credit Ratings	
Moody's	Fitch
A3	A-



An aerial photograph of a dense urban landscape, likely Hong Kong, showing a variety of high-rise buildings, some with green roofs, and a network of streets. The image is partially obscured by a semi-transparent grey overlay on the left and top, where the text 'THANK YOU' is displayed in a large, bold, black sans-serif font.

THANK YOU





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