

Key Facts

OUR PORTFOLIO



Hysan's investment portfolio is set predominantly in Lee Gardens, a unique part of Hong Kong's renowned commercial heart in Causeway Bay. Our ownership concentration makes us stand out, as it magnifies and drives synergies amongst our tenants and a vibrant community.

Within our approximately 4.5 million square feet of retail, office and residential tenant space, we strive to become partners with our tenants. By understanding and connecting our tenants' and our customers' needs, we create a sustainable ecosystem.

VALUE CREATION

Financial Achievements:

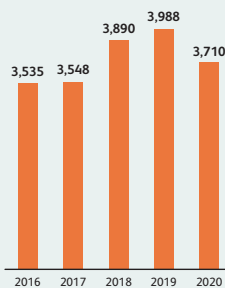
- Steady and progressive total return
- Strong Balance Sheet

Active Management

Curate balanced office and retail portfolio with a diversified group of tenants; long-term partnerships with our tenants served us well in challenging times

Turnover

2016-2020 (HK\$ million)

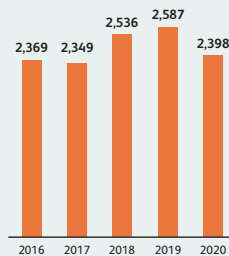


Financial Achievements

Maintain resilience and strength in the face of adversity

Recurring Underlying Profit

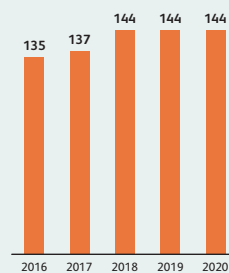
2016-2020 (HK\$ million)



Dividends per Share

Provide steady return

2016-2020 (HK cents)



Supported by Strong Underlying Non-Financial Achievements:

Environment

Minimize our impact on the environment, and achieve higher efficiency at the same time

Community

Make positive contributions to communities where we operate

Employees

Create working environment for talent to thrive

Governance

Strong governance is the heart of long-term sustainable performance

OUR ASSETS



Hysan Place

Greenest commercial building and trendiest shopping centre in town

Completed 2012

Approx. Gross Floor Area	Number of Floors	Parking Spaces
716,000 ft²	40	66

Lee Theatre Plaza

One of Hong Kong's best-loved shopping and dining complexes

Completed 1994 | Lower zone renovated 2013

Approx. Gross Floor Area	Number of Floors
314,000 ft²	26

Leighton Centre

Popular office complex amongst sports and lifestyle shops

Completed 1977 | Renovated 2011

Approx. Gross Floor Area	Number of Floors
430,000 ft²	28
Parking Spaces	
321	



Bamboo Grove

Quality international living in Mid-Levels

Completed 1985 | Renovated 2019

Approx. Gross Floor Area	Number of Units	Parking Spaces
691,000 ft²	345	436



BAMBOO GROVE

Lee Garden One

Home to international corporations and premium brands

Completed 1997

Approx. Gross Floor Area	Number of Floors	Parking Spaces
903,000 ft²	53	200

Lee Garden Two

Spacious offices and home to children's concept floors

Completed 1992 | Retail podium renovated 2019

Approx. Gross Floor Area	Number of Floors	Parking Spaces
621,000 ft²	34	167

Lee Garden Three

Newest commercial address in Lee Gardens

Completed 2017

Approx. Gross Floor Area	Number of Floors	Parking Spaces
467,000 ft²	32	201

Lee Garden Five

An office and retail complex at one of Hong Kong's most prestigious commercial areas

Completed 1989 | Renovated 2009

Approx. Gross Floor Area	Number of Floors
132,000 ft²	25

Lee Garden Six

Convenient office and retail location

Completed 1988 | Renovated 2004

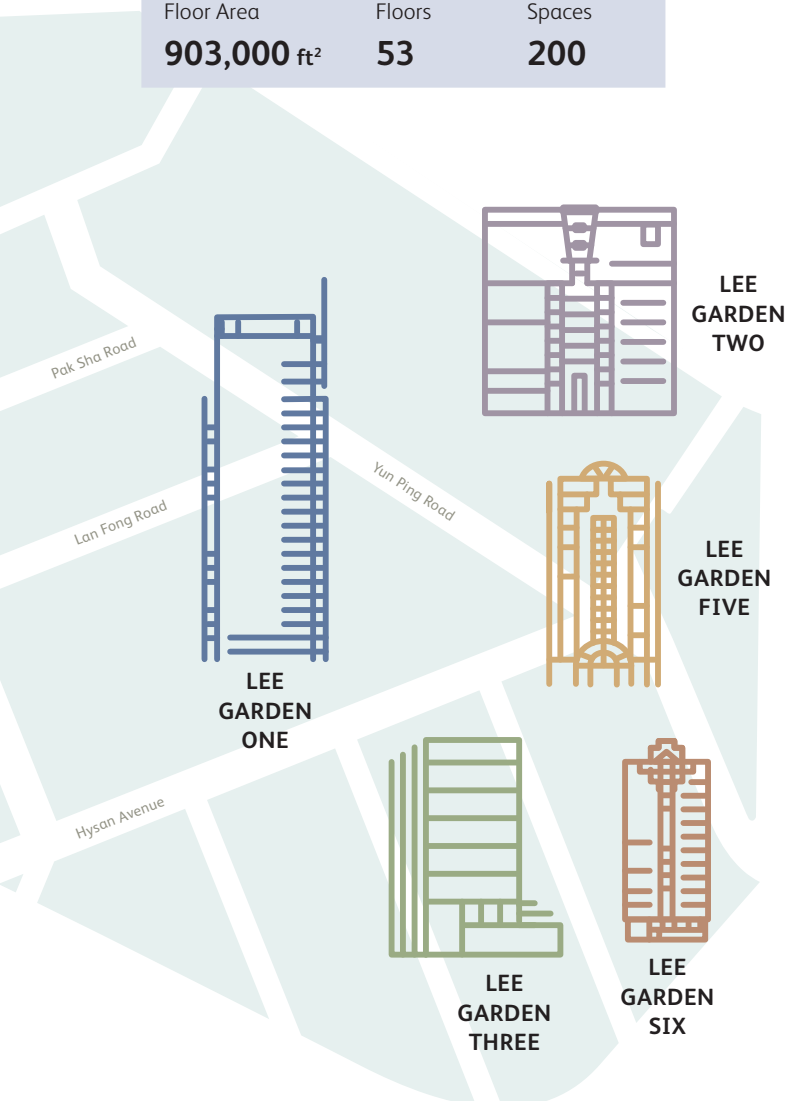
Approx. Gross Floor Area	Number of Floors
80,000 ft²	24

One Hysan Avenue

Efficient office and retail building in prime site

Completed 1976 | Renovated 2011

Approx. Gross Floor Area	Number of Floors
169,000 ft²	26

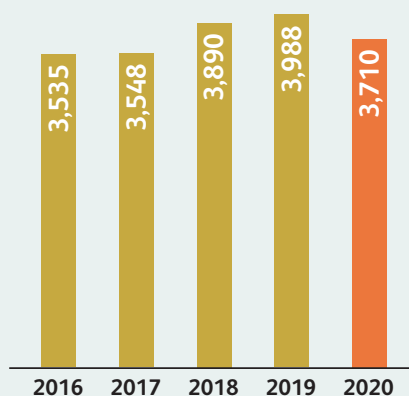


2020 Performance at a Glance

FINANCIAL PERFORMANCE

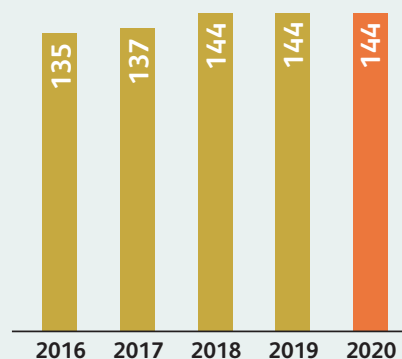
Turnover

HK\$**3,710**m
↓**7.0%**



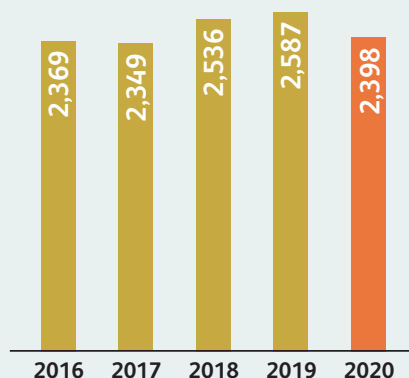
Dividends
per Share

HK**144** cents



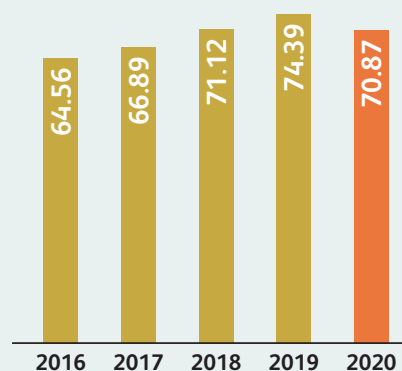
Recurring
Underlying
Profit

HK\$**2,398**m
↓**7.3%**



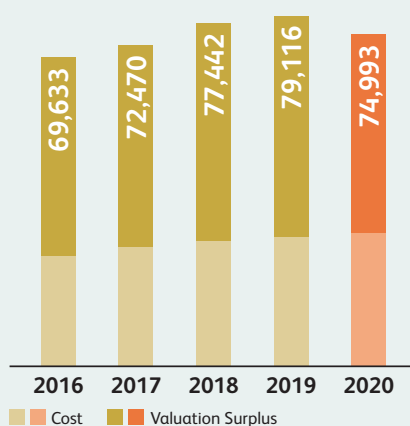
Net Asset
Value
per Share

HK\$**70.87**
↓**4.7%**



Property Value

HK\$74,993m
↓ 5.2%



Financial Prudence

Net Interest Coverage ^(Note 1)

9.8 times

(2019: 17.0 times)

Net Debt to Equity ^(Note 2)

Net Cash

(31 Dec 2019: 3.9 %)

Effective Interest Rate

3.0%

(2019: 3.4 %)

Average Debt Maturity

6.8 years

(31 Dec 2019: 6.6 years)

Fixed Rate Debt

88%

(31 Dec 2019: 84 %)

Capital Market Issuances

88%

(31 Dec 2019: 84 %)

Credit Ratings

Moody's: A3

Fitch: A-

Notes:

1. Net Interest Coverage is defined as gross profit less administrative expenses before depreciation divided by net interest expenses
2. Net Debt to Equity is defined as borrowings less time deposits, cash and cash equivalents divided by shareholders' funds

2020 Performance at a Glance

ENVIRONMENTAL, SOCIAL AND GOVERNANCE RECOGNITIONS

- “Three-star” rating and “Green Star” designation: Global Real Estate Sustainability Benchmark (“GRESB”)
- “AA” Rating: Hang Seng Corporate Sustainability Index
- “A” Rating: MSCI ESG Ratings assessment
- Constituent member: FTSE4Good Index Series
- Gold Award in Fair Trade Hong Kong’s Fair Trade Award 2020
- Silver Award (Sustainability Report) and Honours Award (Annual Report) in MerComm, Inc’s 2020 International ARC Awards
- Honourable Mention in the Hong Kong Management Association’s 2020 Best Annual Reports Awards



MSCI
ESG RATINGS



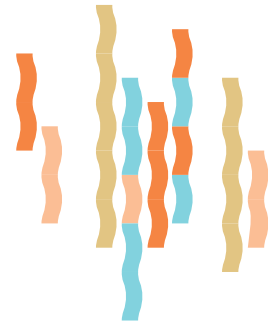
CCC B BB BBB A AA AAA

The use by Hysan Development Company Limited of any MSCI ESG Research LLC or its affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Hysan Development Company Limited by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided ‘as-is’ and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

- Best IR Company, Best Annual Report, Best ESG-E, Best ESG-S, Best ESG-G (Mid Cap) in the Hong Kong Investor Relations Association's Investor Relations Awards 2020
- Winner of Construction and Real Estate In-House Team of the Year and Finalist of Compliance and Risk Management In-House Team of the Year in 2020 ALB Hong Kong Law Awards by Thomson Reuters
- Platinum Award (Non-Hang Seng Index – Medium Market Capitalization Category) in the Hong Kong Institute of Certified Public Accountants' Best Corporate Governance Awards 2020
- Most Innovative Deal – Deal of the Year (Real Estate) in The Asset's Triple A Sustainable Capital Markets Regional Awards 2020



A Conversation with Our Chairman



Ms. Irene Lee

2020 was a difficult year for businesses globally. What affected Hong Kong the most?

2020 was **a most difficult year**, for Hong Kong and for the rest of the world. As we enter the spring of 2021, we still have little clarity on our future.

We have had warnings of the arrival of the “new normal” leading to structural changes in the office and retail sectors over the past few years. Our new world reflects a changing of the guard – the next few waves of youth are replacing our baby boomer generation. The shorter-term shocks of the trade war, COVID-19 and social unrest have just accelerated the pace of change.

How has Hysan managed to be so resilient during these difficult times?

Hysan's roots are in Causeway Bay, Hong Kong. We are fortunate to have a premium collection of real estate mixed with traditional old Hong Kong walkups, concentrated in one of the busiest and most iconic destinations in the city for locals and visitors alike. Having a balanced retail and office portfolio with a diversified group of tenants has given us balance and stability. We are committed to a progressive and sustainable growth model. We also believe in long-term partnerships with our tenants and with our community. This has served us well during difficult times.

How did Hysan respond to the structural changes in the office and retail sectors, magnified by the events of 2020?

In relation to the office sector, flexibility and optionality are increasingly key to users. This requirement was triggered some years before the recent crisis, as the younger workforce demands a different work environment. They want flexibility, mobility, access to off-site work, work-life balance and freedom, while employers focus on costs as well as choosing an office with attributes to attract and retain staff. Technology is the enabler and is improving efficiency and productivity.

As for the retail sector, consumption demand has also changed. The younger generation has different aspirations and is happier to pay for experiences than for material goods. While Hong Kong has seen a slower adoption of online commerce, momentum is gathering and purchases are increasingly made online. Dining, lifestyle and home improvement purchases are all popular. Hysan's challenge is to ensure that our area is the destination of choice. While we would like our visitors to spend money at our shops and dine in our diverse and interesting selection of restaurants, just as importantly we need them to form an emotional loyalty and a life-long and multi-generational habit of visiting Lee Gardens as their preferred destination.

How will Hysan use technology to stay relevant whilst staying true to its roots?

Technology is a way of life and Generations X, Y and Z have adopted it. We fully embrace this way of life and have moved quickly to build new infrastructure that allows us to embrace the new way of doing things. Three years ago, we rolled out area-wide video speed WiFi to increase connectivity in the Lee Gardens area, in and out of malls. In addition to the convenience this provides our visitors, data collected and securely protected with high privacy standard has enabled us to decide on tenant curation and, importantly, gives us insights into the how, when and what, in relation to our shoppers' preferences.

We have increasingly built digital and robotics capabilities, with the aim of improving analytics, efficiency, productivity for our company and removing pain points for our tenants and their clients. We are building a strong mobile digital offering that includes touchless carpark, e-coupons and rewards, e-shop functions, enhanced customer relationship management systems, and traffic and pollution measurement, among others.





How will Hysan continue to evolve in the coming decade?

We are fortunate to have **critical mass in Causeway Bay**. We will continue to invest, strengthen and grow our core business in our home district, while blending ESG, arts and culture, and health and wellness into our portfolio. With a strong balance sheet and a unique Lee Gardens community model, we have the capacity to pursue opportunities outside of Hong Kong.

What is your outlook for Hong Kong's 2021?

The outlook for 2021 is far from clear. A great deal depends on COVID-19 coming under control, not just in Hong Kong but also around the world. Here at Hysan, our balanced portfolio and financial strength provide a strong foundation for long-term growth. For now, we will do our best to look after and motivate our staff, inject new ideas, create community projects, and protect and enhance our assets. The world economy will continue to have ample liquidity, providing stimulus in a low interest rate environment, and governments around the world will focus on restarting economies.

Hong Kong is no different. We need to contain COVID-19, re-start our economy and improve livelihood.