



Stock Code: 54

# HOPEWELL HOLDINGS LIMITED

合和實業有限公司

## 2016/17

Annual Results



16 August 2017

Presentation slides are available on [www.hopewellholdings.com](http://www.hopewellholdings.com)

## 2017 marks the 45<sup>th</sup> anniversary of HHL's listing on HK Stock Exchange

2017年是合和實業有限公司在港交所上市的45周年

### FY2017

➤ **Core profit<sup>#</sup> down 6% yoy to HK\$1,334m (HK\$1.53/share)**

核心溢利<sup>#</sup> 按年下跌6%至港幣13.34億元 (每股港幣1.53元)

- **Mainly due to fall in profit shared from sales of The Avenue to HK\$30m in FY17 (FY16: HK\$427m)**

主要由於分佔的囍匯銷售盈利在2017財年減少至港幣3,000萬元 (2016財年：港幣4.27億元)

➤ **Core profit<sup>#</sup> ex-profit shared from sales of The Avenue up 32% yoy to HK\$1,304m given continued healthy growth from investment properties, toll road and Hopewell New Town**

如未計及分佔囍匯銷售盈利，核心溢利<sup>#</sup> 按年上升32%至港幣13.04億元，主要因為投資物業、收費公路及合和新城持續穩健增長

➤ **Total dividend per share HK175 cents (final DPS HK75 cents; special final DPS HK45 cents; interim DPS HK55 cents)**

全年股息每股港幣175仙 (末期股息每股港幣75仙；特別末期股息每股港幣45仙；中期股息每股港幣55仙)

<sup>#</sup> Represents profit attributable to owners of the Company excluding fair value gain of completed investment properties

未計及已落成投資物業公平值收益的股東應佔溢利

## FY2017

- **Despite challenging commercial leasing environment, investment properties' performance was stable with EBIT up 4% yoy**  
儘管商業租務的經營環境充滿挑戰，投資物業的表現穩定，除利息及稅項前溢利按年上升4%
  - **Retail rental income up 5% yoy given (i) Lee Tung Avenue full year contribution; (ii) retail portfolio consists of neighborhood shopping centres for local shoppers**  
由於 (i) 利東街全年貢獻；(ii) 零售物業組合是以本地消費為主的鄰里購物中心，零售租金收入按年上升5%
- **E-Max's G/F upmarket fashion outlets opened in Aug 2016 and well-received by market**  
E-Max地下樓層的高級服裝特賣場已在2016年8月開業，並大受歡迎
  - **2/F food court opened in 1QCY17**  
2樓的美食廣場已於2017年第1季開業
- **Hopewell New Town booked RMB715m sales in FY17, up 179% yoy and exceeded target of RMB600m**  
合和新城在2017財年的銷售收入入賬人民幣7.15億元，按年增長179%，超過預定的目標人民幣6億元
- **All residential units of The Avenue were sold as at 30 Jun 2017**  
在2017年6月30日，薹滙的所有住宅單位已經售出

## Upcoming: FY2018 & Beyond

- **E-Max under evolution, expand upmarket fashion outlets: B1/F renovation commenced in 2QCY17. New tenants plan to start operation by summer 2018**

E-Max正在蛻變，將擴建高級服裝特賣場：B1樓層已在2017年第2季展開裝修工程。新的租戶計劃於2018年夏季開業

- **Target E-Max's rental income to grow 50% in FY19 vs FY16**

目標為E-Max在2019財年的租金收入相比2016財年增長50%

- **Hopewell Centre II's construction advancing at full steam, targets to open in 2021**

合和中心二期的建築工程全速推進，目標在2021年開業

- **Aug 2017: Town Planning Board approved 2017 Scheme**

城規會於2017年8月，通過2017年方案

## Upcoming: FY2018 & Beyond

- **Expanded project 155-167 QRE into 153-167 QRE to increase the interface for HHL's property portfolio on QRE, envisions to commence operation in 2022**

皇后大道東155-167號項目擴展為皇后大道東153-167號，將增加合和實業的物業組合在皇后大道東的介面，預估在2022年開始營運

- **Hopewell New Town targets to book sales revenue of approx. RMB500m in FY18**

合和新城在2018財年的目標入賬銷售收入約人民幣5億元

# Results Highlights 業績摘要

For the year ended 30-Jun 截至6月30日止年度	2016 HK\$m	2017 HK\$m	% change	Major reasons for change
<b>Core Profit<sup>#</sup></b> 核心溢利 <sup>#</sup>	1,417	1,334	-6%	↓ Profit shared from sales of The Avenue (FY16 HK\$427m; FY17 HK\$30m)
<b>Core Profit<sup>#</sup> ex-profit shared from sales of The Avenue</b> 核心溢利 <sup>#</sup> (如未計及分佔囂滙銷售盈利)	990	1,304	+32%	i) Continued growth of investment properties, toll road & Hopewell New Town ii) ↓ Exchange loss from RMB depreciation (mainly GS' USD loan) iii) <u>offset</u> ↓ Heyuan profit
<b>Profit attributable to owners of the Company</b> 公司股東應佔溢利	2,762	1,961	-29%	i) ↓ Profit shared from sales of The Avenue ii) ↓ Fair value gain of completed investment properties

# Represents profit attributable to owners of the Company excluding fair value gain of completed investment properties  
未計及已落成投資物業公平值收益的股東應佔溢利



(HK\$ in million) (港幣百萬元)			Revenue 收入			EBIT <sup>N1</sup> 除利息及稅項前溢利		
For the year ended 30-Jun 截至6月30日止年度			2016	2017	yoy	2016	2017	yoy
<b>Investment properties and hospitality</b> 投資物業和酒店及餐飲								
Property letting and management 物業租務及管理			1,119	1,149		739	768	
Hotel, restaurant & catering 酒店、餐廳及餐飲營運			451	465		100	96	
sub-total 小計			1,570	1,614	+3%	839	864	+3%
<b>Property development</b> 物業發展			4,364	1,605	-63%	463	434	-6%
<b>Toll road investment</b> 收費公路投資			2,408	2,463	+2%	610	720	+18%
<b>Power plant</b> 電廠			774	833	+8%	105	32	-69%
<b>Treasury income</b> 財資收入			119	75	-37%	119	75	-37%
<b>Others</b> 其他			-	-		(192)	(131)	n/a
<b>Revenue / EBIT</b> 收入／除利息及稅項前溢利			9,235	6,590	-29%	1,944	1,994	+3%
						Results 業績		
						2016	2017	yoy
<b>Earnings before interest &amp; tax</b> 除利息及稅項前溢利						1,944	1,994	
<b>Finance costs</b> 財務成本						(59)	(12)	
<b>Fair value gain of completed investment properties</b> 已落成投資物業公平值收益						1,345	627	
<b>Profit before taxation</b> 除稅項前溢利						3,230	2,609	
<b>Taxation</b> 稅項						(235)	(386)	
<b>Profit for the year</b> 本年溢利						2,995	2,223	
<b>Minority interests</b> 少數股東應佔淨溢利						(233)	(262)	
<b>Profit attributable to owners of the Company</b> 公司股東應佔溢利						2,762	1,961	-29%
<b>Core Profit (net profit ex-fair value gain of completed investment properties)</b> 核心溢利 (淨溢利未計及已落成投資物業公平值收益)						1,417	1,334	-6%

N1: These figures represent EBIT of the Company and its subsidiaries plus net profits (after interest and tax) shared from JVs

# Financial Highlights

財務摘要

For the year ended 30-Jun 截至6月30日止年度	2016	2017	% change 變動(%)
<b>EPS (HK\$)</b> 每股溢利 (港元)	<b>3.17</b>	<b>2.25</b>	<b>-29%</b>
<b>DPS (HK cents)</b> 每股股息 (港仙)	<b>Interim:</b> 中期	<b>Interim:</b> 中期	
	<b>55</b>	<b>55</b>	
	<b>Final:</b> 末期	<b>Final:</b> 末期	
	<b>75</b>	<b>75</b>	
	<b>Special Final:</b> 特別末期	<b>Special Final:</b> 特別末期	
	<b>-</b>	<b>45</b>	
	<b>Total:</b> 合計	<b>Total:</b> 合計	
	<b>130</b>	<b>175</b>	



# Results Highlights

## 業績摘要

### ■ Operating profit\* from prime-earning businesses ↑8% yoy to HK\$1,332m in FY17

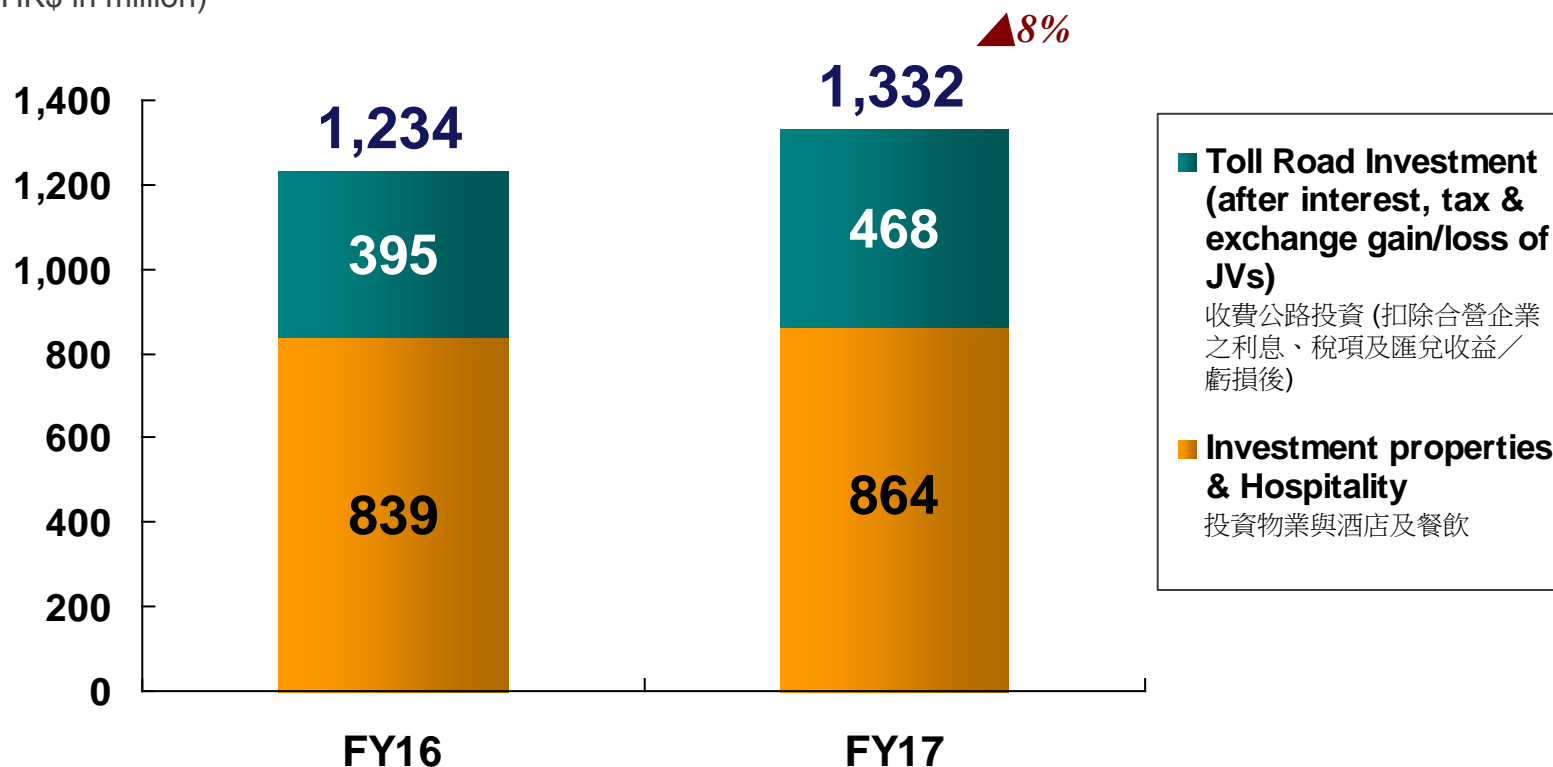
2017財年重點收益業務的營運溢利按年上升8%至港幣13.32億元

#### ◆ From toll road investment, investment properties and hospitality

來自收費公路投資、投資物業和酒店及餐飲業務

### Operating Profit\* from Prime-earning Businesses

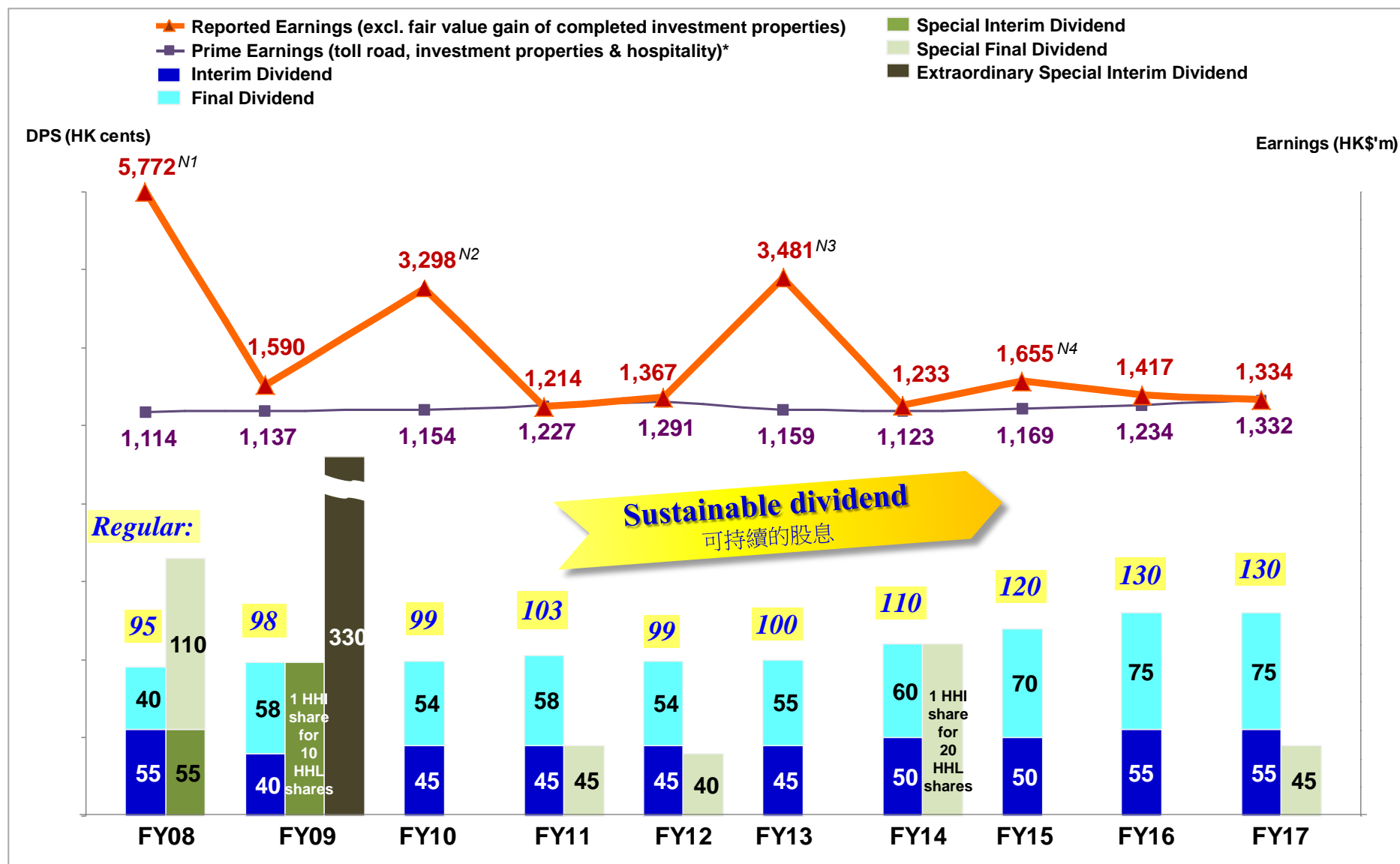
(HK\$ in million)



\* Being EBIT net of proportional share by non-controlling interests

# HHL's Dividend & Earnings History

合和實業的股息及收益往績



\* EBIT net of proportional share by non-controlling interests

N1: Including disposal gain of Nova City HK\$3,948m and Ring Road HK\$793m

N2: Including BW12 completion gain HK\$2,238m

N3: Including HCII land conversion gain HK\$2,249m

N4: Including Lee Tung Avenue completion gain HK\$120m & 155-167 QRE redevelopment gain HK\$300m

# HHL's Solid Financial Position

合和實業財務穩健



## ■ Adequate funding for projects under development

足以應付發展中項目的資金需要

## ■ Net cash HK\$1,686m as at 30 Jun 2017

在2017年6月30日的淨現金為港幣16.86億元

<u>HHL Corporate Level</u> 合和實業公司層面	<u>30-Jun-16</u> HK\$'M	<u>30-Jun-17</u> HK\$'M	<u>Change</u> HK\$'M
<b>Cash</b> 現金	2,886	4,036	+1,150
<b>Available Banking Facilities</b> 可動用銀行貸款額	3,590	4,790	+1,200
<b>Cash + Available Banking Facilities</b> 現金+可動用銀行貸款額	6,476	8,826	+2,350
<b>Net Debt</b> 淨債務	Net Cash \$336m	Net Cash \$1,686m	
<b>Net Gearing Ratio<sup>#</sup> (%)</b> 淨資產負債比率			

<sup>#</sup> Net debt / Shareholders' equity (exclude equity shared from HHI)

# E-Max's Evolution Showing Success

– Since The Metroplex opened Feb 2014

E-Max的蛻變成功 - 自從星影匯於2014年2月開業

- **B1/F fashion outlets' expansion: new tenants plan to start operation by summer 2018**

擴充B1樓層為服裝特賣場：新的租戶計劃於2018年夏季開業

- **Dec 2016: B3/F automall renewed lease with rental rates more than doubled**

2016年12月：B3樓層的汽車展銷場已續租，租金為原來的一倍以上

- **E-Max's rental income targets to grow 50% in FY19 vs FY16**

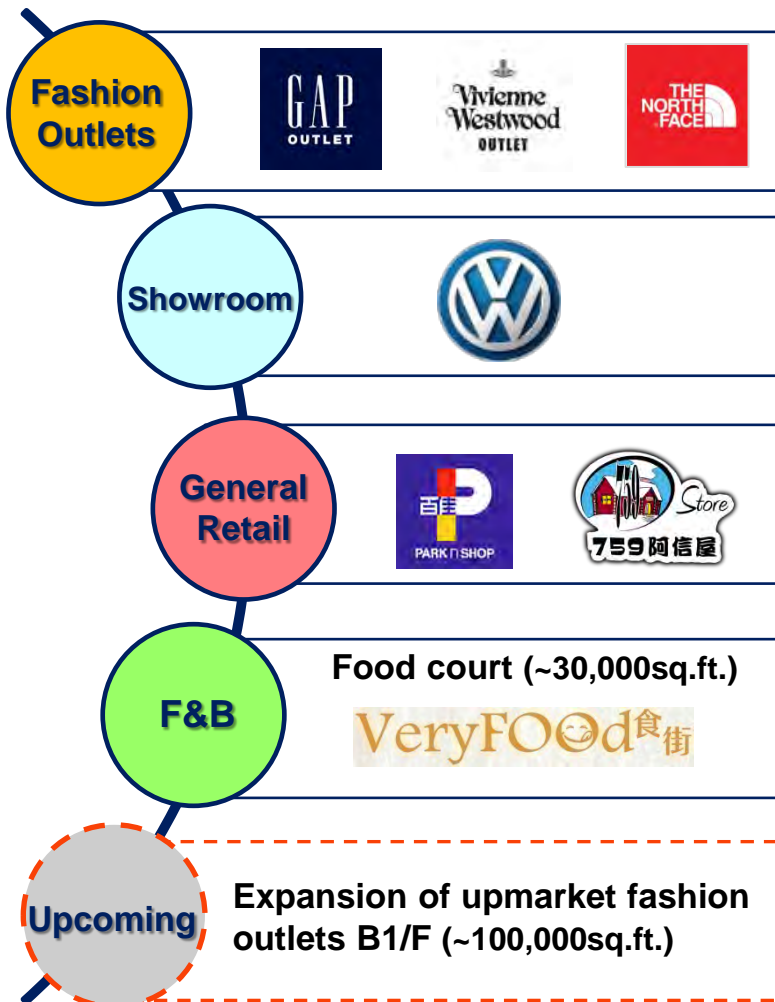
E-Max在2019財年的租金收入目標相比2016財年增長50%

Metroplex



E-Max fashion outlets

*Introduced more popular brands and elements:*



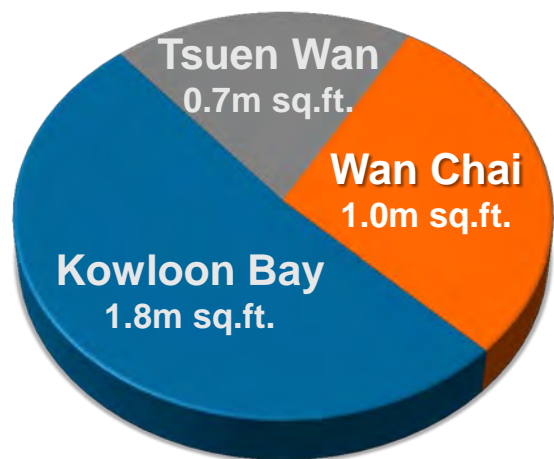
# Investment Properties\* under Development

## - Future Growth Driver

發展中投資物業：未來的增長動力

### Existing

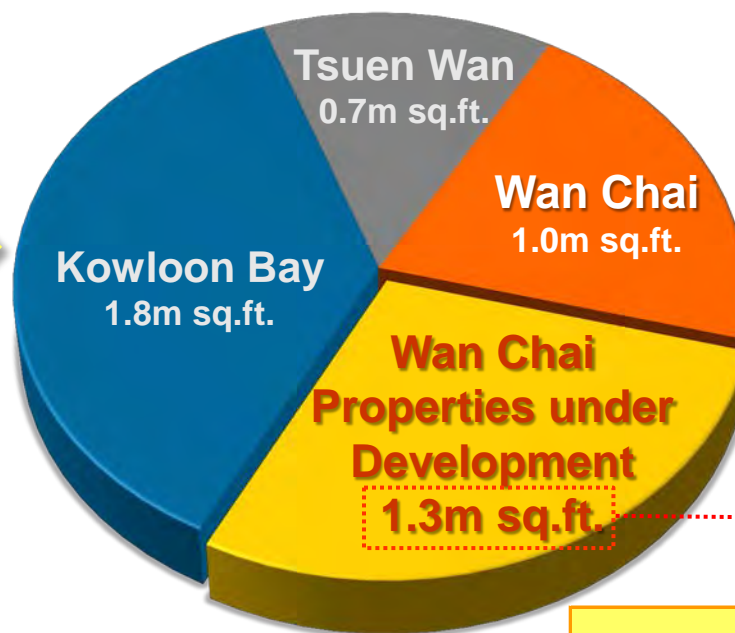
Total GFA: 3.5 million sq.ft.



+37%

### Future

Total GFA: 4.8 million sq.ft.



### Substantial increase in rental income

租金收入將大幅增加

### Prime locations, synergy with existing portfolio

位於黃金地段，並與現有物業組合產生協同效應

	Use	Target Opening	GFA <sup>^</sup> (sq.ft.)
Hopewell Centre II	Conference Hotel	2021	1,100,000
153 - 167 QRE	Commercial	2022	90,000
Hill Side Terrace Cluster	Residential	under planning	130,000

<sup>^</sup> Under current planning

1.3m

\* Including hotel

# Hopewell Centre II, Wan Chai - Conference Hotel with 1,024 rooms

灣仔合和中心二期：擁有1,024間客房的會議酒店

Total GFA<sup>N1</sup>: 101,600 sq.m.

· Hotel: 76,800 sq.m.

· Retail: 24,800 sq.m.

## ■ Site formation work in progress

正進行土地平整工程

## ■ Aug 2017: Town Planning Board approved 2017 Scheme

城規會於2017年8月，通過2017年方案

### ◆ Enhances pedestrian connectivity in Wan Chai South

改善灣仔南的行人連接

### ◆ No impact on construction progress

不會影響項目的建築進度

## ■ Adopted new excavation and foundation scheme (announced Apr 2017)

採用新的地盤平整及地基工程設計 (於2017年4月公布)

### ◆ To improve overall design and enhance structural integrity

以改善整體設計及令建築結構更加鞏固

### ◆ Prolonged site formation and foundation works

地盤平整及地基工程的動工期會延長

## ■ Targets to open in 2021

目標在2021年開業



Hopewell Centre II's perspective<sup>N1</sup>

### Capex Plan<sup>N1</sup> (HK\$'m)

Up to 30 Jun 2017	FY18	FY19	FY20 & Beyond
~\$4,820 <sup>N2</sup>	\$400	\$570	\$3,430

Planned Total Investment: remains at ~HK\$9b - HK\$10b

N1: Present planning, subject to change

N2: Include land premium HK\$3,726m



# Hopewell Centre II, Wan Chai - Construction Progress



灣仔合和中心二期：工程進度

Temporary  
Steel Working  
Platform

Tower Crane

— HCII construction site for indication only



# 153-167 Queen's Road East, Wan Chai

灣仔皇后大道東153-167號

## ■ Expanded project 155-167 QRE into 153-167 QRE

皇后大道東155-167號項目擴展為皇后大道東153-167號

### ◆ Through an application for compulsory sale for redevelopment (by auction) in Mar 2017

於2017年3月透過申請為重新發展而強制售賣（透過拍賣）

## ■ Increase the interface for HHL's property portfolio on QRE

將增加合和實業的物業組合在皇后大道東的介面

## ■ Plan to develop a commercial property

計劃發展為商業大廈

## ■ Envision to commence operation in 2022

預估在2022年開始營運

Project	155-167 QRE	153-167 QRE	QRE Plaza
	Before Expansion	After Expansion	
Site Area	5,000 sq.ft.	6,700 sq.ft.	5,000 sq.ft.
Development GFA	75,000 sq.ft.	90,000 sq.ft. (estimate)	77,000 sq.ft.

# Hill Side Terrace Cluster Comprehensive Development

山坡臺建築群綜合發展

- **Propose to restore and preserve Nam Koo Terrace and develop a residential building with open space provision**

建議修復和保育南固臺，同時發展住宅大廈並提供休憩用地

- **Pending resubmission of preservation cum development plan to Town Planning Board**

有待再向城規會提交寓保育於發展的規劃申請

- **Book cost as at 30 Jun 2017: ~HK\$600m**

在2017年6月30日，賬面成本約港幣6億元

Land Lots owned by HHL	Site Area (sq.m.)
1-3 Hill Side Terrace	516
1A Hill Side Terrace	585
Nam Koo Terrace	685
Miu Kang Terrace	342
Schooner Street Site	270
<b>Total:</b>	<b>2,398</b>

# Timeline for Projects <sup>N1</sup>

項目進度

CY	2017	2018	2019	2020	2021	2022	> > > >
<b>Hong Kong</b>							
<b>Hopewell Centre II (HHL 100%)</b>	Construction works					Opening: 2021	
<b>153-167 Queen's Road East (HHL 100%)<sup>N2</sup></b>			Demolition and Construction works			Opening: 2022	
<b>Hill Side Terrace Cluster<sup>N3</sup> (HHL 100%)</b>	Pending resubmission of preservation cum development plan to Town Planning Board						

N1: Present planning, subject to change

N2: The Group has 100% ownership of 153A-167 QRE and has secured over 80% ownership of 153 QRE. Compulsory sale for redevelopment (by auction) of the latter was applied in March 2017 to achieve the 100% ownership

N3: Including 1-3 Hill Side Terrace, 1A Hill Side Terrace, Nam Koo Terrace, Miu Kang Terrace and Schooner Street Site



# Investment Properties and Hospitality

## - Healthy Growth in past 5 years

投資物業和酒店及餐飲：過去5年增長穩健

### ■ Revenue ↑3% yoy to HK\$1,614m in FY17

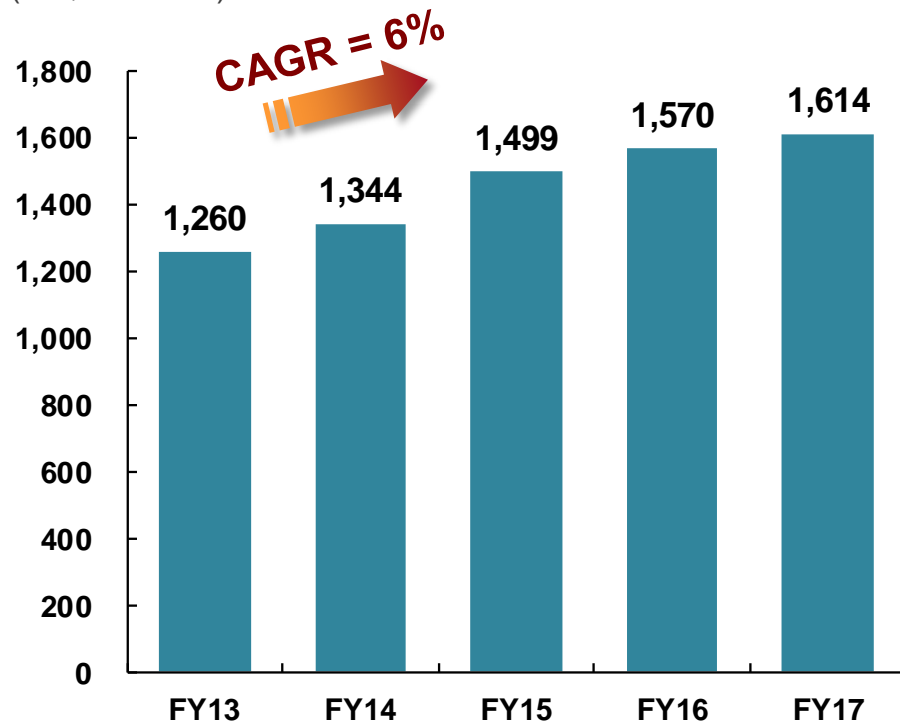
2017財年的收入按年上升3%至港幣16.14億元

### ■ EBIT ↑3% yoy to HK\$864m in FY17

2017財年的除利息及稅項前溢利按年上升3%至港幣8.64億元

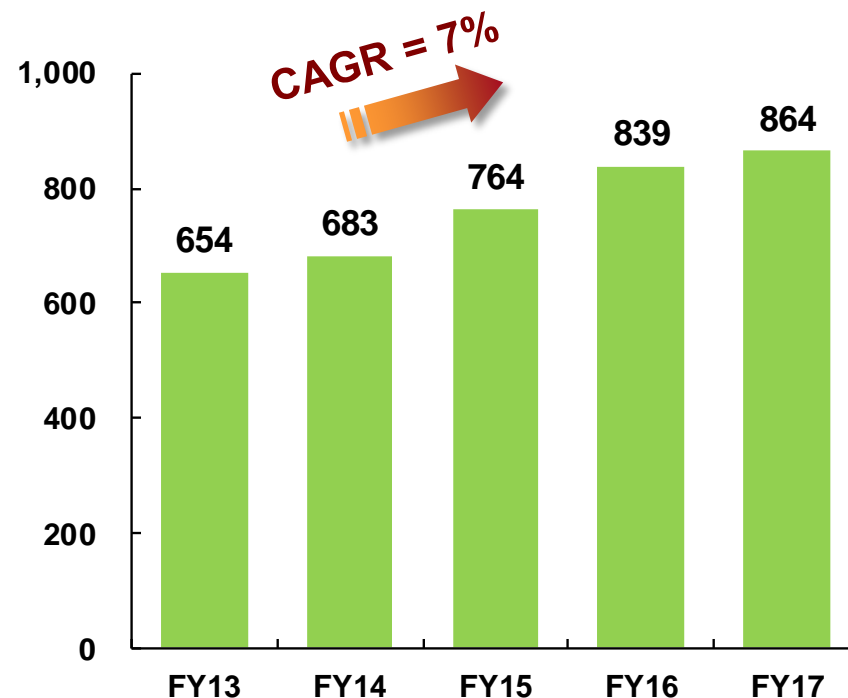
#### Revenue – Investment Properties & Hospitality

(HK\$ in million)



#### EBIT – Investment Properties & Hospitality

(HK\$ in million)



# Investment Properties' Performances

## 投資物業的表現

### ■ EBIT margin increased to 67% in FY17 (FY16: 66%)

2017財年的除利息及稅項前溢利率上升至67% (2016財年：66%)

### ■ Due to office tenant reshuffling in Hopewell Centre and KITEC

由於合和中心及九展的寫字樓重組租戶

#### ◆ FY17: office rental income ↓1% yoy to HK\$410m

2017財年的寫字樓租金收入按年下跌1%至港幣4.1億元

#### ◆ Expect FY18 rental income stable, given office rental income will be flat yoy

寫字樓租金收入將按年持平，因此預期2018財年的租金收入穩定

	Average Occupancy Rate <sup>N1</sup>		Average Rental Rate yoy change
	FY16	FY17	
Hopewell Centre	93%	89% <sup>N2</sup>	+3%
KITEC Office	96%	94%	+1%
KITEC E-Max	90%	80% <sup>N3</sup>	+5%
Panda Place	96%	98%	0%
QRE Plaza	100%	96%	+5%
Lee Tung Avenue (opened 1Q CY16)	96%	96%	N/A
GardenEast (apartments)	82%	93%	-7%

Areas already leased & occupied by tenants + Areas reserved for specified use

N1: Occupancy rates =  $\frac{\text{+ Areas where leases have been committed but not yet commenced}}{\text{Total lettable area}}$

N2: Occupancy rate was ~93% as at 30 Jun 2017

N3: Tenants in B1/F vacated by 1QCY17 for renovation of E-Max's fashion outlets expansion



### Office 寫字樓

- **Rental income ↓1% yoy to HK\$268m in FY17 due to tenant reshuffling**

由於租戶重組，2017財年的租金收入按年下跌1%至港幣2.68億元

- **Signed lease with a globalised company in Nov 2016 (~20,000 sq.ft.)**

在2016年11月與一家環球公司簽訂租約 (約20,000平方呎)

- **Expect rental uplift by phases when:**

預期租金將分階段提升：

- Hopewell Centre II site formation and foundation works complete**

當合和中心二期的地盤平整及地基工程完成後

- Hopewell Centre II opens, with surroundings further upgraded**

當合和中心二期開業後，會帶動周邊進一步升級

### Retail 零售商舖

- **1563' Live House opened in Aug 2016**

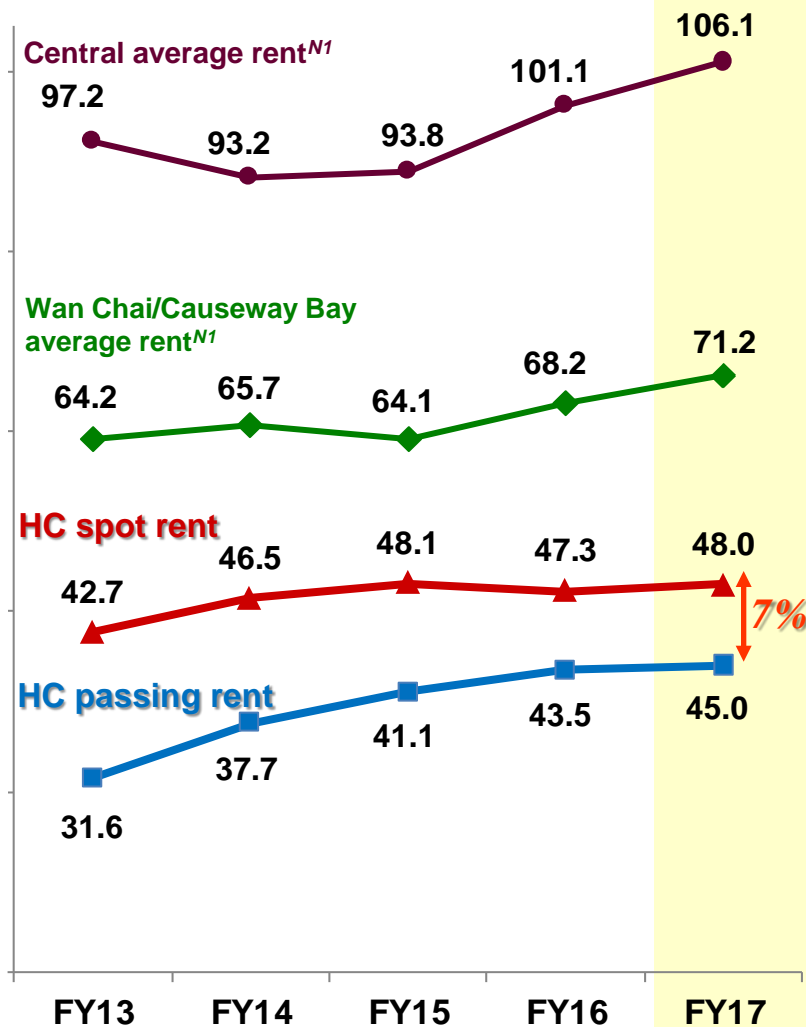
1563' Live House 已在2016年8月開業

- ◆ **Promote evening business of “The East”**

推廣 “The East” 的夜間業務

### Hopewell Centre office spot rent vs peers

(HK\$/sq.ft./month)



N1: Figures from Rating & Valuation Dept ; Jan – Jun 2017 are provisional figures



### ■ Increasing tenants from high-margin industries with high-paid employees: benefits retail rental growth

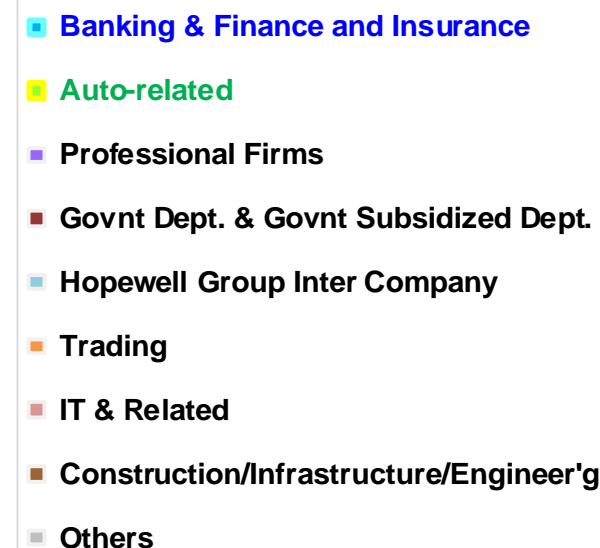
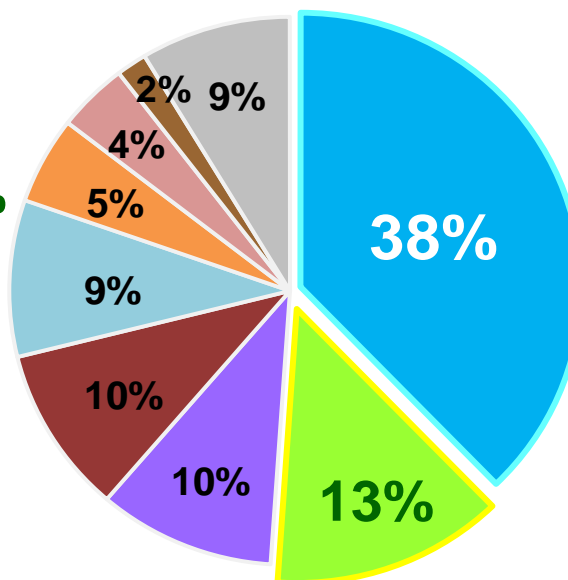
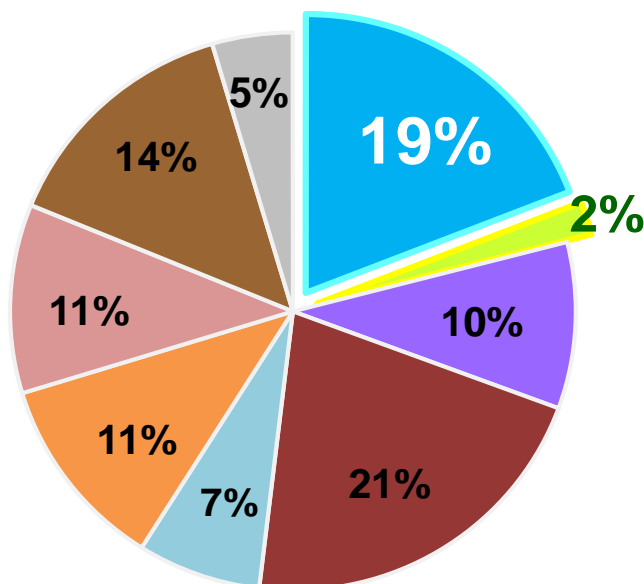
增加高利潤行業租戶，其高薪員工有利於零售租賃的增長

#### ◆ Banking, finance and auto-related industries

銀行、金融和汽車相關的行業

**GFA leased: as of 30 Jun 2007**

**GFA leased: as of 30 Jun 2017**



### ■ Continuous enhancement of facilities and services

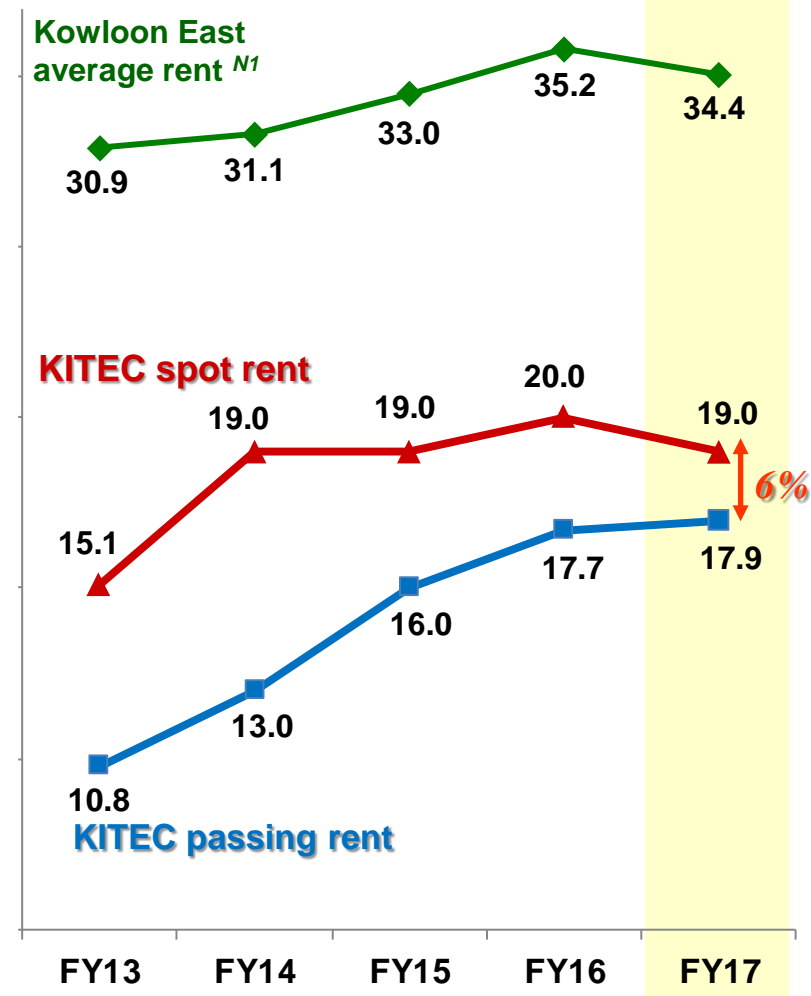
不斷提升設施和服務

## Office 寫字樓

- **Rental income ↓1% yoy to HK\$142m in FY17 due to tenant reshuffling**  
由於租戶重組，2017財年的租金收入按年下跌1%至港幣1.42億元
- **Plan further AEI to upgrade facilities (corridor, toilets, gym room for tenants)**  
計劃進一步改善及提升設施 (包括走廊、洗手間、租客專用健身室)
- **Government: anchor tenant ~250,000 sq.ft. or 33% total office GFA (30.6.2017)**  
在2017年6月30日，政府部門為主要租戶，租用約250,000平方呎或相等於佔寫字樓總樓面面積33%
- **Benefits from Kowloon East's development into a quality business district in the long term**  
長遠會受惠於九龍東發展為一個優質的商業區

## KITEC office spot rent vs peers

(HK\$/sq.ft./month)



N1: Figures from Rating & Valuation Dept (Kowloon Bay/Kwun Tong).  
Jan – Jun 2017 are provisional figures

# Lee Tung Avenue, Wan Chai - Retail for Rental

- URA:JV (50:50 JV HHL:Sino Land) of 40:60

灣仔利東街 - 商舖租務，市建局:合營企業為40:60（合和實業:信和置業為50:50的合營企業）

## ■ Opened in 1QCY16

2016年第一季開業

## ■ FY17:

**Average occupancy rate: 96%**

**Average rent: ~HK\$62/sq.ft.**

2017財年的平均出租率為96%；平均租金為每平方呎約港幣62元

## ■ Upgraded the image of “The East”

提升了“The East”的整體形象

**Retail GFA: 87,700ft<sup>2</sup>**  
零售商舖總樓面面積：87,700平方呎



Progress	2016	2017	2018 & Beyond
Johnston Tunnel (Lee Tung Avenue → MTR)	Under construction. Plan to complete construction in 4QCY17		
Queen's Road East Tunnel (Lee Tung Avenue → Hopewell Centre)	Under planning		

	FY17	yoy change	Reasons
<b>Total Revenue</b> 總收入	<b>HK\$306m</b>	<b>+1%</b>	<ul style="list-style-type: none"> <li>• ↑ Room revenue 2% yoy</li> <li>• ↑ Tourist arrival (FY17: ↑ 0.3% yoy vs FY16: ↓ 7.3% yoy)</li> </ul>
<b>Room Revenue</b> 客房收入	<b>HK\$200m</b>	<b>+2%</b>	<ul style="list-style-type: none"> <li>• Average room rate ↑ 2% yoy</li> <li>• Occupancy rate remained high at 97%</li> </ul>
<b>F&amp;B Revenue</b> 餐飲收入	<b>HK\$106m</b>	<b>-3%</b>	Keen competition in the market

## ■ Signs of improvement in HK's hotel industry despite outlook remains challenging

香港酒店業有復甦迹象，但前景仍然充滿挑戰

## ■ To maintain competitiveness:

為保持競爭力

### ◆ Continue to diversify customer mix

繼續多元化住客組合

### ◆ Renovate guestrooms

翻新客房

# The Avenue, Wan Chai - Residential Sales

- URA:JV (50:50 JV HHL:Sino Land) of 40:60

灣仔囍匯 - 住宅銷售，市建局:合營企業為40:60（合和實業:信和置業為50:50的合營企業）

- Total GFA ~731,000sq.ft. (1,275 units)
- Total investment \$9.8b (HHL's 50%: \$4.9b)

## All 1,275 units were sold as at 30 Jun 2017

在2017年6月30日，全部1,275個單位已經售出

Saleable area	Phase 1	Phase 2	Total
Units sold	179 (103,000 sq.ft.)	1,096 (554,000 sq.ft.)	1,275 (657,000 sq.ft.)
• As % of total units	100%	100%	100%
Avg. selling price	HK\$20,200/sq.ft.	HK\$23,000/sq.ft.	HK\$22,600/sq.ft.

## FY17: Booked HK\$427m revenue (HHL's share after URA sharing) for 34,000 sq.ft. or 31 units (FY16: HK\$4,074m for 520,000 sq.ft. or 1,065 units)

2017財年入賬：扣除市建局份額後，合和實業應佔銷售收入份額為港幣4.27億元，共34,000平方呎或31個單位（2016財年入賬：份額為港幣40.74億元，共520,000平方呎或1,065個單位）





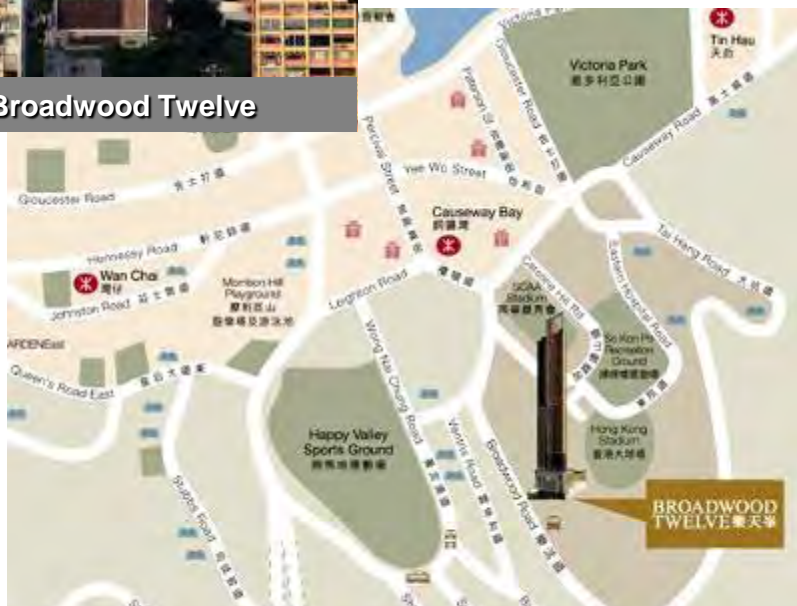
# Broadwood Twelve, Happy Valley - Residential

樂天峯，跑馬地(住宅)

- Total GFA approx. 113,900sq.ft.
- 45-storey luxury apartment building with 76 units



Broadwood Twelve



Broadwood Twelve's location

## Updates 最新概況

### ■ As of 4 Aug 2017,

- ◆ Sold 69 out of 76 units, sales proceeds HK\$3.2b<sup>N1</sup>, ASP HK\$34,300/sq.ft. (saleable area)

於2017年8月4日，76個單位中已售出69個單位，帶來港幣32億元的收益，平均售價為每平方呎港幣34,300元 (實用面積計)

- **FY17: sold 10 units or ~12,800 sq.ft. (saleable area) at ASP HK\$34,900/sq.ft.**

2017財年：售出10個單位或約12,800平方呎 (實用面積計)，平均售價為每平方呎港幣34,900元

- **Of which 9 units were booked in FY17 (net sales revenue HK\$386m)**

當中9個單位在2017財年入賬 (銷售淨額為港幣3.86億元)

- **4 out of 7 unsold units leased at average monthly rental rate of ~HK\$65/sq.ft. (saleable area) and available for sale**

7個未售出的單位已租出4個，平均月租約每呎港幣65元 (實用面積計)，並可供出售

# Hopewell New Town, Huadu, Guangzhou – Residential & Commercial

廣州花都合和新城（住宅及商業）

- FY17 revenue ↑179% yoy to RMB715m and exceeded target of RMB600m**

2017財年的銷售收入按年上升179%至人民幣7.15億元，並已超過預定的目標人民幣6億元

	FY16	FY17	
Sales Target	85,000 sq.m. (achieved)		
	FY16	FY17	FY18
Sales Booking	RMB256m	RMB715m (exceeded target)	Target ~RMB500m <sup>N1</sup>

- MTR Route No. 9 (exit near the site) plans to start operation in 4QCY17**

地鐵9號綫 (出口鄰近合和新城) 計劃在2017年第4季開始營運

- Continues to explore ways to control construction cost and increase profitability**

繼續探索不同方法控制建築成本和增加利潤

- Business tax changed to value-added tax effective 1 May 2016: no impact on FY17 net profit, <10% negative impact on FY18 net profit (latest estimation)**

2016年5月1日起實施《增值稅取代營業稅》：對2017財年的淨溢利沒有影響，對2018財年的淨溢利有少於10%的負面影響 (按最新資料評估)



# Sound Financial Plan

穩健的財務計劃

Projects	Target Opening	Total Investment <sup>N1</sup> HK\$'M	Interest %	HHL's Injection FY18 to FY20 <sup>N1</sup> HK\$'M
<u>Hong Kong</u>				
Hopewell Centre II	2021	9,000 - 10,000	100%	3,680 (FY18: 400; FY19: 570; FY20: 2,710)
153-167 Queen's Road East	2022	approx. 1,200	100% <sup>N2</sup>	80
<b>TOTAL</b>				<b>3,760</b>

N1: Present planning, subject to change

N2: The Group has 100% ownership of 153A-167 QRE and has secured over 80% ownership of 153 QRE. Compulsory sale for redevelopment (by auction) of the latter was applied in March 2017 to achieve the 100% ownership

## ■ Abundant financial resources well cover the capital need of projects under development:

充裕的財務資源足夠應付發展中項目的資本需要：

- ◆ **Healthy cash-flow from prime-earning businesses**  
重點收益業務帶來穩健的現金流
- ◆ **Proceeds from property sales**  
售樓收益
- ◆ **HK\$2.3b, HK\$3.2b and HK\$1.0b committed banking facilities maturing in 2018, 2020 and 2022 respectively**

已承諾銀行備用貸款港幣23億元、港幣32億元和港幣10億元，分別將於2018、2020年和2022年到期

# Hidden Value from Hotels and HHI Business

酒店及合和公路基建業務的隱藏價值

## Valuation upside from recognising hotels' and HHI business' market values

酒店及合和公路基建業務的市場價值如獲反映，可以提升估值

Balance Sheet Highlights as at 30 Jun 2017 (HK\$ in million)	HHI Business	HHL - Other Businesses	HHL Group Total
Completed investment properties	-	30,319	30,319
Panda Hotel	-	325	325
Properties under development			
Hopewell Centre II			
- Commercial portion	-	4,646	4,646
- Hotel portion	-	2,538	2,538
155-167 Queen's Road East **	-	777	777
Properties for development	-	1,157	1,157
Interests in JVs (Toll Roads, Power Plant & The Avenue/Lee Tung Avenue)	6,150	1,806	7,956
Other assets/liabilities	444	1,445	1,889
Non-controlling interests	(2,183)	(178)	(2,361)
Shareholders' equity	4,411	42,835	47,246
			(HK\$54.3/share)*

Total hidden value



8,997

(HK\$10.4/share)\*

Adjusted shareholders' equity (unaudited)

56,243

(HK\$64.7/share)\*

As at 30 Jun 2017 (HK\$)	Panda Hotel	HC II hotel portion	HHI Business
Market value	\$2,950m \$3.2m/room  DTZ valuation report	\$4,094m \$4.0m/room under development  DTZ valuation report	\$9,227m   2,055m shares (HHL's 66.7% stake) x HHI's market price @ HK\$4.49 as of 30.6.2017
Book value	\$325m \$0.4m/room  at cost less depreciation	\$2,538m \$2.5m/room under development  at cost	\$4,411m   at cost less depreciation
Hidden value	\$2,625m \$3.0/share*	\$1,556m \$1.8/share*	\$4,816m \$5.6/share*



Total: \$8,997m

\$10.4 /share\*

\* No. of HHL shares in issue: 869.8 million (as of 30 Jun 2017)

\*\* HHL has expanded the project into 153-167 Queen's Road East

**~ End of Presentation ~**

# Supplementary Information

補充資料



# Reconciliation of Revenue and Results with Consolidated Statement of Profit or Loss and Other Comprehensive Income



收入及業績與綜合損益及其他全面收益表對賬

(HK\$ in million)	Revenue 收入		Results 業績	
For the year ended 30-Jun 截至6月30日止年度	2016	2017	2016	2017
<b>Revenue/EBIT per "Results" slide</b> 按照 "合和實業業績" 投影片的財務回顧的收入／除利息及稅項前溢利	9,235	6,590	1,944	1,994
<b>Less: 減:</b>				
<b>Sales proceeds of Broadwood Twelve properties</b> 樂天峯的銷售收益	-	(404)	-	-
<b>Treasury income</b> 財資收入	(119)	(75)	-	-
<b>Share of revenues of JVs engaged in</b> 應佔合營企業之收入				
- <b>Toll road</b> 收費公路	(2,408)	(2,463)	-	-
- <b>Power plant</b> 電廠	(774)	(833)	-	-
- <b>Property development and property investment</b> 物業發展及投資物業	(4,084)	(455)	-	-
<b>Add: 加:</b>				
<b>Fair value gain of completed investment properties</b> 已落成投資物業公平值收益	-	-	1,345	627
<b>Finance costs</b> 財務成本	-	-	(59)	(12)
<b>Turnover/Profit before tax per Consolidated Statement of Profit or Loss and Other Comprehensive Income</b> 按照綜合損益及其他全面收益表的營業額／除稅前溢利	1,850	2,360	3,230	2,609

# Investment Properties and Hospitality Revenue



投資物業和酒店及餐飲的收入

(HK\$ in million)	Revenue*		yoy
For the year ended 30-Jun	2016	2017	change
<b>Investment Properties</b>			
Rental income - office	415	410	-1%
Rental income - retail	319	335	+5%
Rental income - residential	75	80	+7%
Convention and exhibition	60	65	+8%
Air conditioning & management fee	158	159	+1%
Carpark & others	92	100	+9%
<b>Investment Properties sub-total</b>	<b>1,119</b>	<b>1,149</b>	<b>+3%</b>
<b>Hospitality</b>			
Room Revenue	195	200	+2%
Restaurants, catering operations and others	256	265	+4%
<b>Hospitality sub-total</b>	<b>451</b>	<b>465</b>	<b>+3%</b>
<b>Total</b>	<b>1,570</b>	<b>1,614</b>	<b>+3%</b>

\* Excluding tenancies for HHL's own use

# Investment Properties

## 投資物業

Panda Hotel  
悅來酒店



Panda Place  
悅來坊



New Territories  
新界

Kowloon  
九龍

Hong Kong  
香港



KITEC & E-Max  
九龍灣國際展貿中心  
及E-Max



Hopewell  
Centre  
合和中心



QRE Plaza



GardenEast



Retail  
outlets in  
Wu Chung  
House  
胡忠大廈  
(商舖)



Lee Tung Avenue  
利東街

Hopewell Centre

合和中心

840,000

KITEC and E-Max

九龍灣國際展貿中心及E-Max

1,775,000\*

(incl. Star Hall 30,000sq.ft. and Metroplex >1,100 seats)

QRE Plaza

77,000

GardenEast (216 units)

96,500

Lee Tung Avenue (HHL attr.)

利東街 (合和實業應佔)

26,000

Wu Chung House retail

胡忠大廈商舖

17,670

Panda Place

悅來坊

229,000

Panda Hotel (911 rooms)

悅來酒店 (911 間客房)

440,000

Total GFA

總樓面面積

3.5M sq.ft.

\* GFA of office ~750,000 sq.ft.; retail ~760,000 sq.ft.



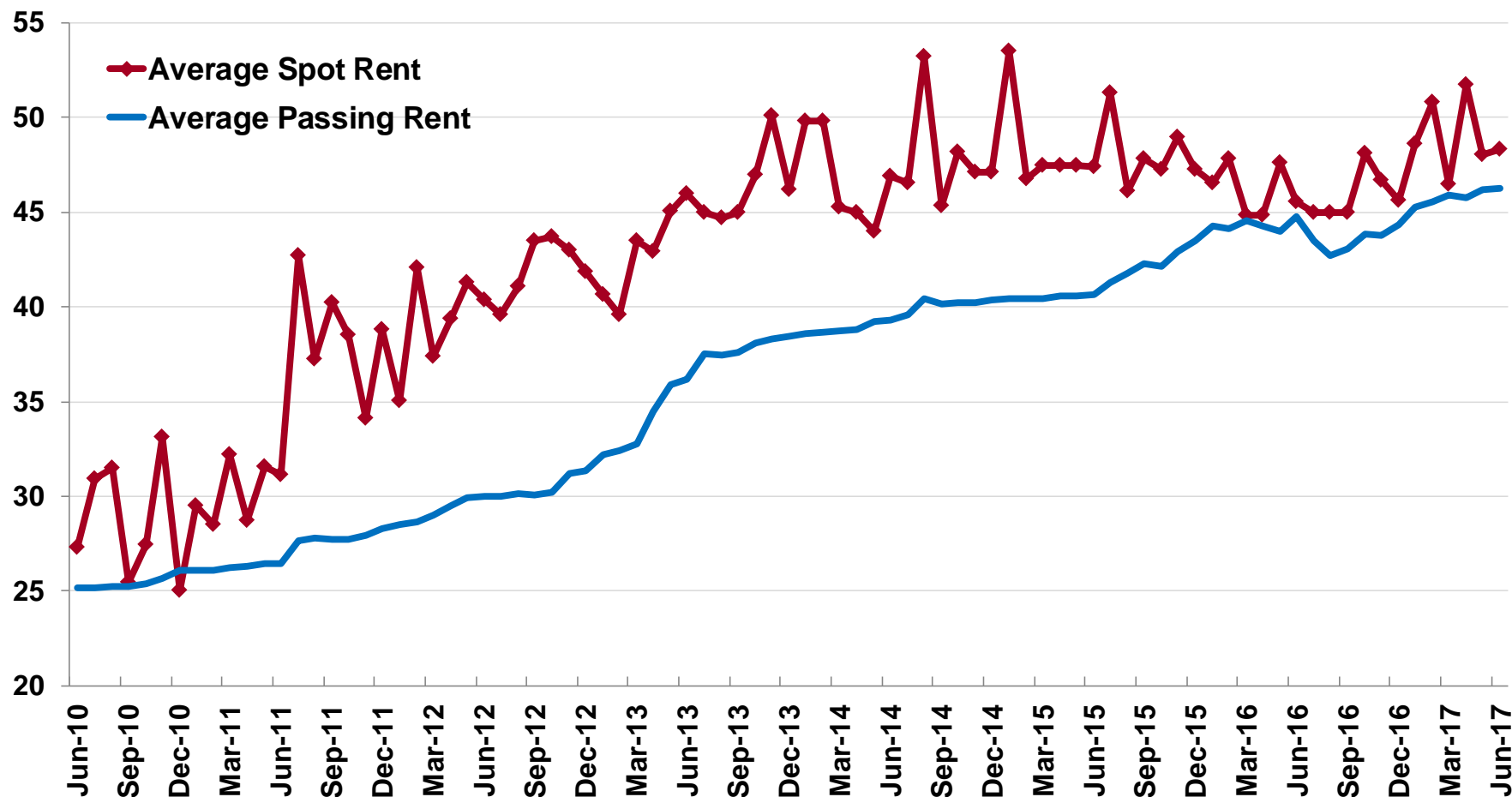
# Hopewell Centre Office, Wan Chai

## – Average Spot and Average Passing Rent

灣仔合和中心寫字樓：平均市值租金及平均現收租金

### Average Spot and Average Passing Rent (FY11 – FY17)

(HK\$/sq.ft.)

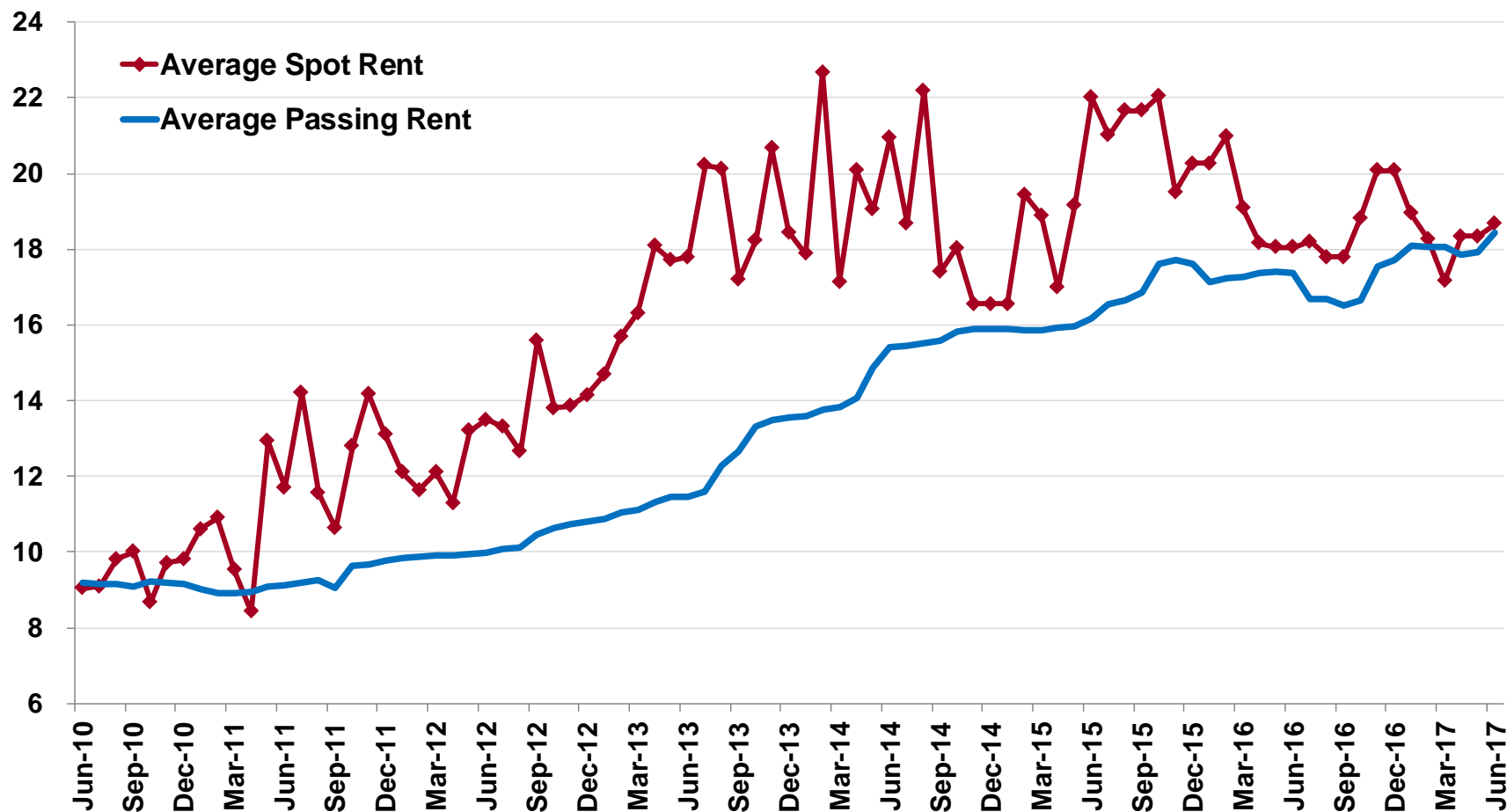


## – Average Spot and Average Passing Rent

九龍灣國際展貿中心寫字樓：平均市值租金及平均現收租金

### Average Spot and Average Passing Rent (FY11 – FY17)

(HK\$/sq.ft.)



# Kowloon East Developments Benefit KITEC & E-Max

九龍東發展有利於九展和E-Max

## ■ HK Government's 2017 Policy Address – will continue to take forward the “Kai Tak Fantasy”

香港政府2017年施政報告 – 將繼續推展「飛躍啟德」

### ◆ More residential flats and commercial floor areas

增加住宅單位及商業樓面面積

### ◆ Upcoming Central Kowloon Route (links Yau Ma Tei with Kai Tak Development Area)

未來的中九龍幹線 (連接油麻地及啟德發展區)

## ■ Future connection with Shatin Central link at Kai Tak Station

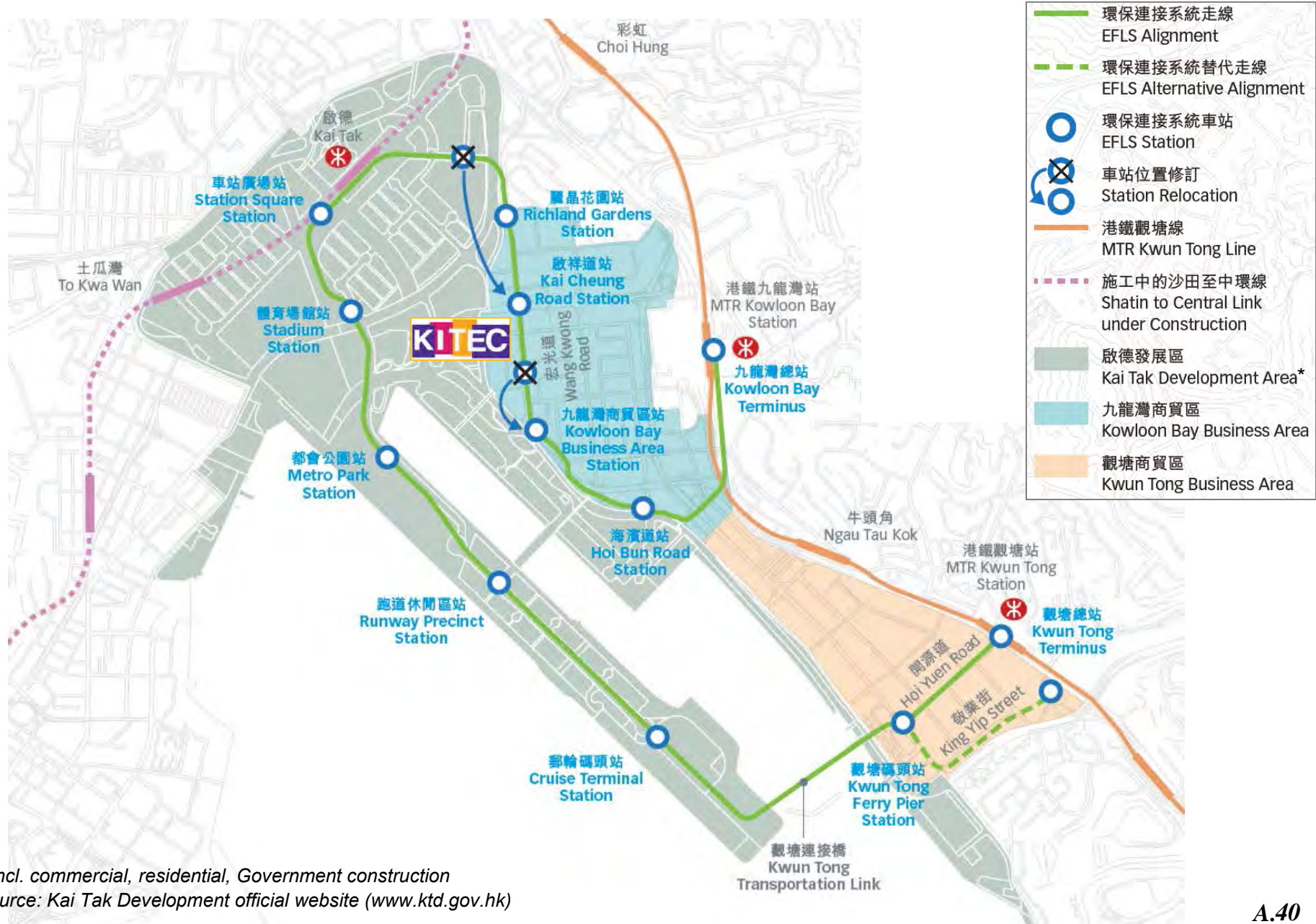
未來的沙中線將連接啟德站

## ■ Environmentally friendly linkage system for Kowloon East currently under study

九龍東環保連接系統正在研究中

# Kowloon East Developments Benefit KITEC & E-Max


九龍東發展有利於九展和E-Max

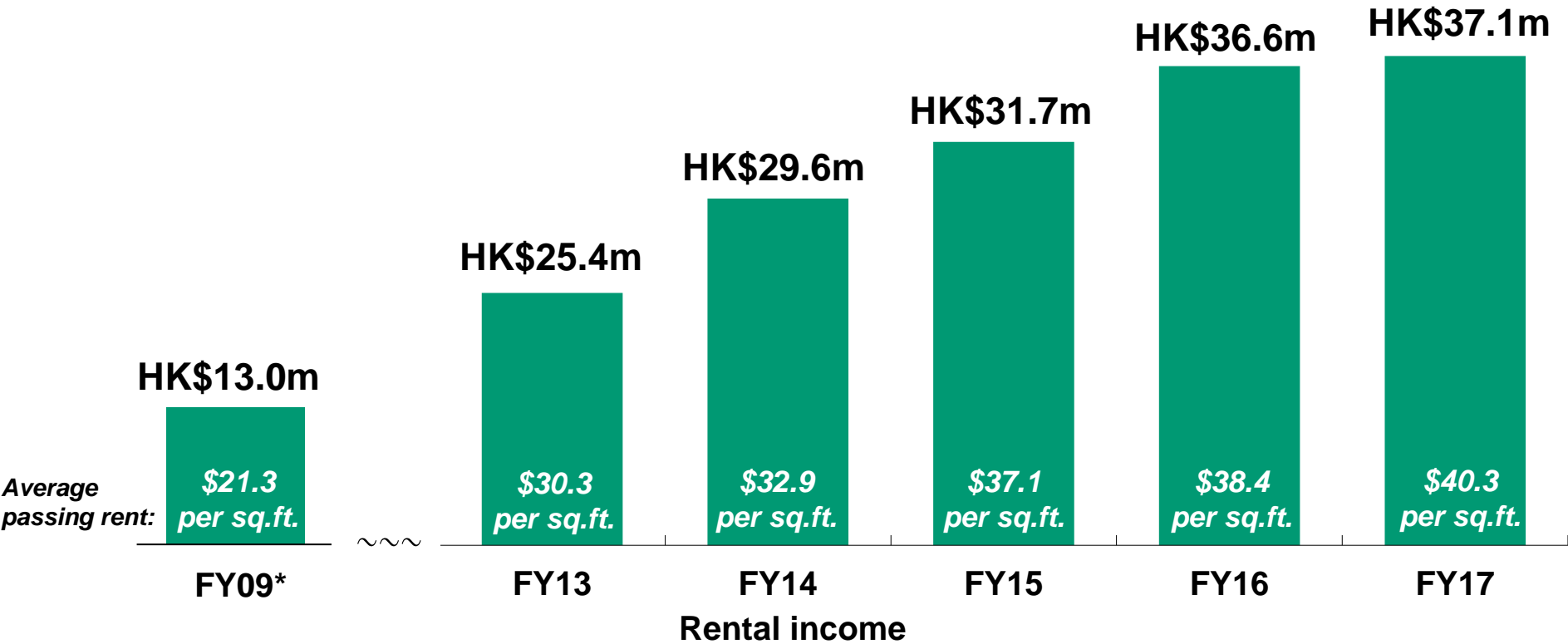


\* Incl. commercial, residential, Government construction  
Source: Kai Tak Development official website ([www.ktd.gov.hk](http://www.ktd.gov.hk))

Refining tenant mix has helped lift rental income

優化租戶組合有助提升租金收入

New tenants:	<ul style="list-style-type: none"><li>F&amp;B:<ul style="list-style-type: none"><li>- Han Ga Ram</li></ul></li><li>Bioscreen</li><li>Organic Beauty</li></ul>	<ul style="list-style-type: none"><li>F&amp;B:<ul style="list-style-type: none"><li>- Momojein</li><li>- Espuma</li></ul></li></ul>	TESLA car showroom 	<ul style="list-style-type: none"><li>Kukuruza Popcorn</li><li>Xiao Yu Hotpot</li></ul>
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\* QRE Plaza opened in Nov 2007



# Panda Place, Tsuen Wan

荃灣悅來坊

GFA approx. 229,000ft<sup>2</sup>

總樓面面積約229,000平方呎

- **Rental income up 2% yoy to HK\$62m in FY17**

2017財年的租金收入按年上升2%至港幣6,200萬元

- **Expect stable rental income contribution as major tenant reshuffling had been completed**

由於已完成重組主要租戶，預期租金收入貢獻穩定

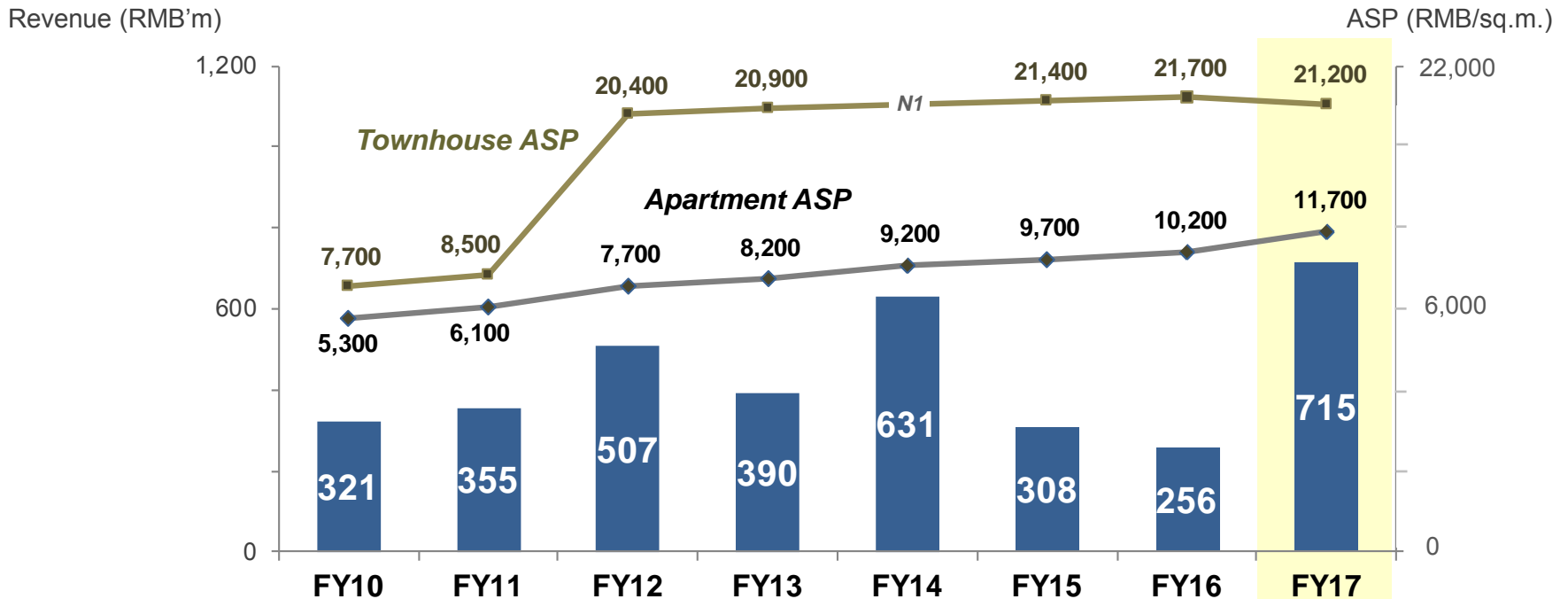


# Hopewell New Town, Huadu, Guangzhou

## – Historical Revenue and Average Selling Price

廣州花都合和新城：歷年收入與平均銷售價格

### Revenue and Average Selling Price (“ASP”) Booked



#### GFA booked (sq.m.)

Apartment	41,000	56,000	24,500	41,000	67,600	29,600	23,200	55,100
Townhouse	13,000	1,000	13,800	1,700	-	900	900	3,200

#### Units booked

Apartment	366	574	306	333	695	252	195	486
Townhouse	43	4	48	6	-	3	3	11

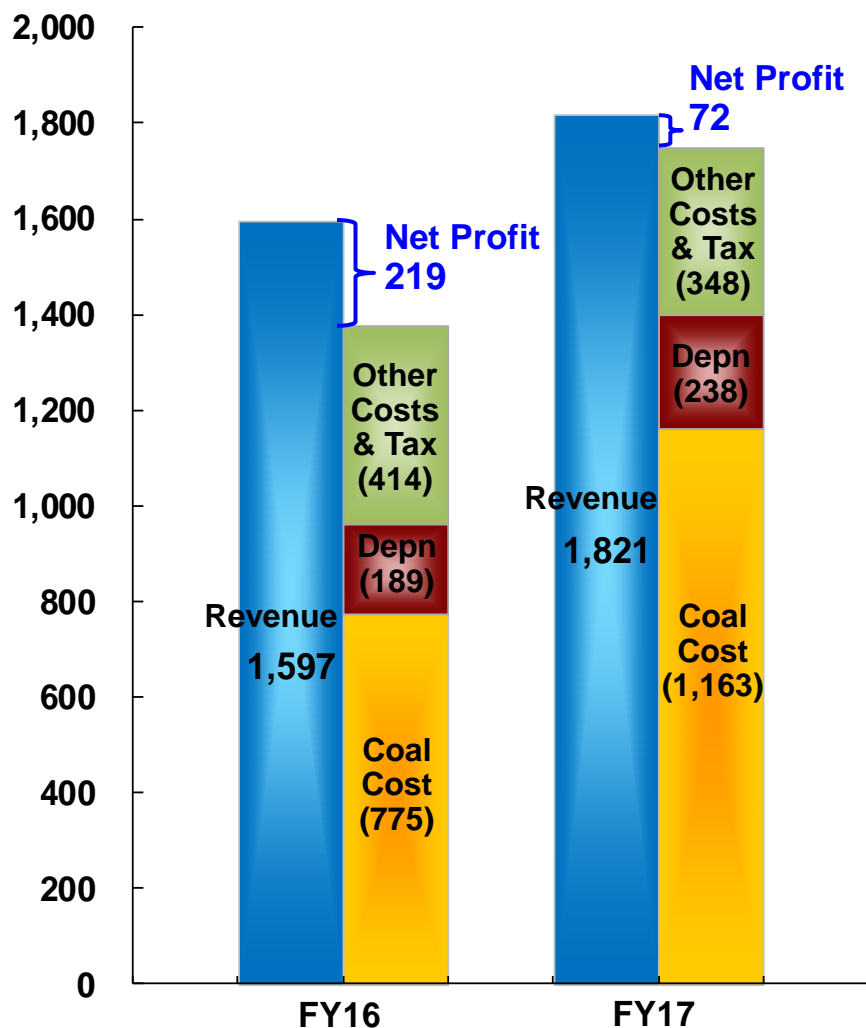
N1: No sales of townhouse booked in FY14

# Heyuan Power Plant, Guangdong

廣東省河源電廠

## P&L Highlight - JV Level 100%

(RMB in million)



## Updates 最新概況

- **↓ Net profit due to ↓ tariff rate, ↑ cost of coal and ↑ depreciation**  
淨溢利下跌，主要由於電價下跌、煤炭成本及折舊上升
- **Stable contribution to HHL given solid power demand in Guangdong**  
廣東省電力需求穩定，為合和實業提供穩定的貢獻
- **Since 1 Jul 2017, Guangdong's on-grid tariff rate of coal-fired power plants ↑ RMB2.1/MWh to RMB387.2/MWh**  
自2017年7月1日起，廣東省燃煤火力發電廠上網電價每兆瓦時上調人民幣2.1元至人民幣387.2元

# Heyuan Power Plant, Guangdong

廣東省河源電廠



## Key Operating Statistics 主要營運數據

	FY16	FY17
<b>Gross generation</b> 總發電量	<b>4,300 GWh</b> 43億千瓦時	<b>5,200 GWh</b> 52億千瓦時
<b>Utilisation rate<sup>N1</sup></b> 使用率 <b>(hours) (時數)</b>	<b>41%</b> <b>(3,592 hours)</b>	<b>49%</b> <b>(4,296 hours)</b>
<b>Availability factor<sup>N2</sup></b> 可利用率	<b>66%</b>	<b>73%</b>
<b>Average on-grid tariff</b> <b>(with desulphurization, denitrification and dust removal) (excl. VAT)</b> 平均上網電價 (包括脫硫、脫硝及除塵；但不包括增值稅)	<b>RMB394.4/MWh</b>	<b>RMB374.2/MWh<sup>N3</sup></b>
<b>Approx. coal cost (5,500 kcal/kg)</b> <b>(incl. transport; excl. VAT)</b> 概約煤價 (每公斤5,500大卡) (包括運費；但不包括增值稅)	<b>RMB475/ton</b>	<b>RMB600/ton</b>

$$N1 = \frac{\text{Gross generation during the year under review}}{\text{Total no. of hours during the year under review} \times \text{Installed capacity}}$$

$$N2 = \frac{\text{The no. of hours for electricity generation during the year under review}}{\text{Total no. of hours during the year under review}}$$

N3: With super low emission tariff:  
 Unit 1 – since 18 Jan 2017; Unit 2 – during FY17

# Visitor Arrival and PRC Visitors to Hong Kong

## 中國內地及訪港旅客的統計

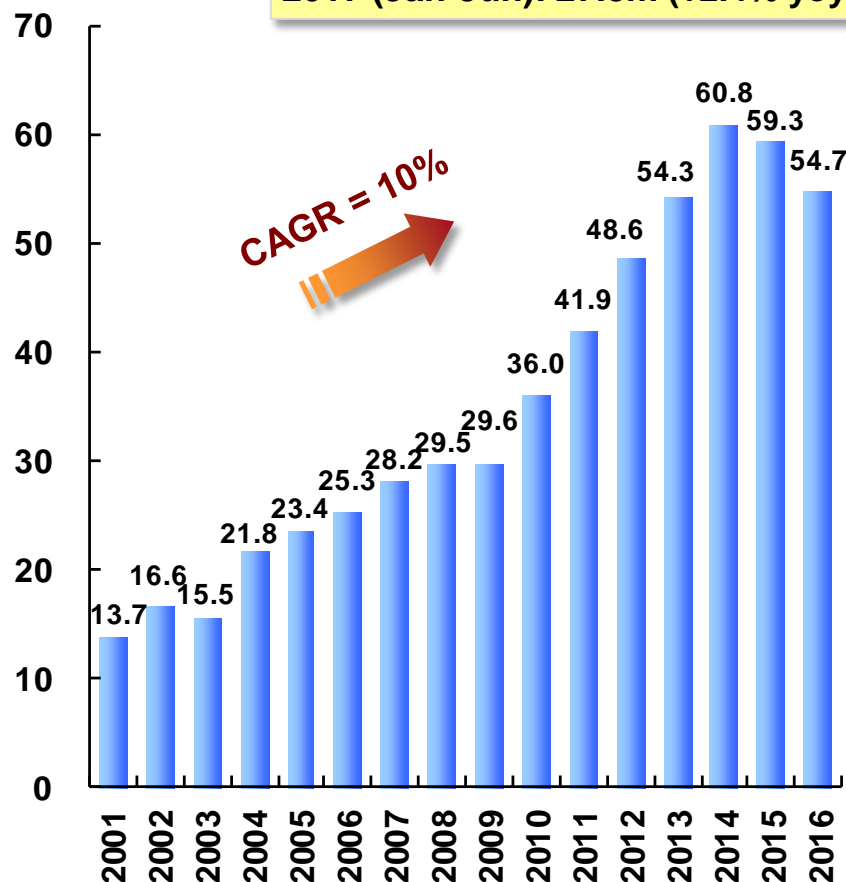
### ■ Tourist arrivals to HK $\uparrow 0.3\%$ yoy in FY17 (FY16: $\downarrow 7.3\%$ yoy)

2017財年的訪港旅客按年上升0.3% (2016財年：按年下跌7.3%)

### Total visitor arrival 訪港旅客總數

(visitors in million)

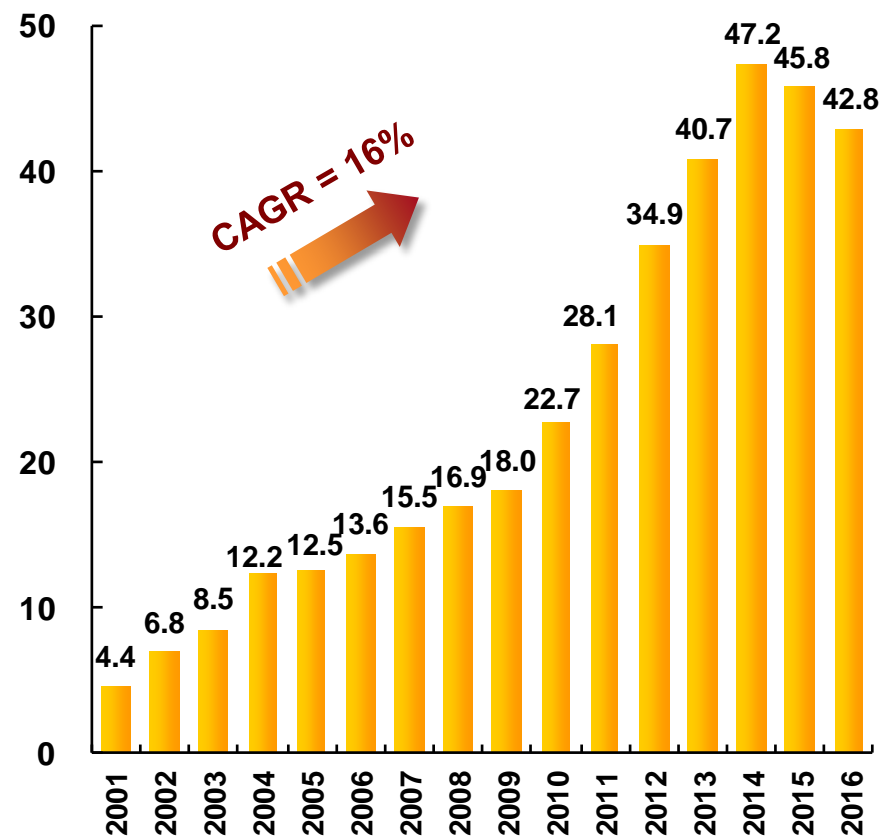
2017 (Jan-Jun): 27.8m (+2.4% yoy)



### PRC visitor arrival 中國內地的訪港旅客總數

(visitors in million)

2017 (Jan-Jun): 20.9m (+2.3% yoy)





# Share Buy-back

股份回購

## HHL Share Buy-back Summary

	No. of HHL Shares Bought Back	Highest Price (HK\$)	Lowest Price (HK\$)	Average Price (HK\$)
FY13 Total	<b>4,348,000</b> (0.5% of issued shares)	<b>26.55</b>	<b>24.20</b>	<b>25.46</b>
FY14 Total	<b>1,228,000</b> (0.1% of issued shares)	<b>26.95</b>	<b>25.85</b>	<b>26.46</b>
FY15 Total	<b>nil</b>	<b>-</b>	<b>-</b>	<b>-</b>
FY16 Total	<b>2,000,500</b> (0.2% of issued shares)	<b>27.55</b>	<b>23.55</b>	<b>25.33</b>
FY17 Total	<b>nil</b>	<b>-</b>	<b>-</b>	<b>-</b>

**~ END ~**