



Stock Code: 54

HOPEWELL HOLDINGS LIMITED

合和實業有限公司



INTERIM RESULTS

2015/16

2015/16 財政年度中期業績

24 February 2016

Presentation slides are available on www.hopewellholdings.com

1H FY2016

- **Core profit (ex-fair value gain of completed investment properties) up 29% yoy to HK\$938m (HK\$1.1 per share)**
公司股東應佔核心溢利(未計及已落成投資物業的公平值收益)按年上升29%至港幣9.38億元(每股港幣1.1元)
- **Interim dividend HK55 cents per share**
中期股息每股港幣55仙
- **Hopewell Centre II construction advancing full steam forwards, plans to commence operation in 2019**
合和中心二期的建築工程全速前進，並計劃在2019年開始營運
- **Hill Side Terrace Cluster's preservation cum development plan of a residential development submitted to Town Planning Board in Dec 2015**
於2015年12月向城規會提交山坡臺建築群保育及住宅發展計劃的申請
- **Booked HK\$4.0b revenue from The Avenue Phase 2 sales**
囍匯二期銷售收益港幣40億元已入賬

1H FY2016

- **Hopewell New Town sales revenue of RMB250m expects to be booked in FY16, of which (i) all sales achieved; (ii) ~60% handed over as of 19 Feb 2016**

合和新城的銷售收入人民幣2.5億元預計在2016財年入賬，當中 (i) 所有銷售已達標；(ii) 截至2016年2月19日，約60%已交收

- **Panda Hotel's total revenue fell 11% on 7% drop in tourist arrivals. F&B revenue up 5% partly offset room revenue fell 18%**

訪港旅客下跌7%，悅來酒店的整體收入下跌11%。餐飲收入上升5%部分抵銷了客房收入下跌18%

- **Exchange loss HK\$89m due to RMB depreciation***

人民幣貶值帶來的匯兌虧損約港幣8,900萬元

Upcoming: 2H FY2016 & Beyond

- **Lee Tung Avenue's occupancy rate around 90% and average rental rate HK\$68/sq.ft. as of 11 Feb 2016**

截至2016年2月11日，利東街的出租率約90%；平均租金為每平方呎港幣68元

Upcoming: 2H FY2016 & Beyond

- **E-Max is undergoing evolution: food court and supermarket opening 2Q2016, G/F upmarket fashion outlets opening 4Q2016**
E-Max正進行蛻變：美食廣場及超級市場在2016年第2季開業；地下的高級服裝特賣場在2016年第4季開業
 - **Target E-Max's retail rental income to grow over 20% in FY16 and FY17 alongside tenant mix evolution**
隨着租戶組合的蛻變，E-Max零售租金收入目標在2016財年和2017財年增長逾20%
- **155-167 Queen's Road East plans to commence operation by end 2018, target FY20 rental income (full year) of not less than HK\$40m**
皇后大道東155-167號項目計劃在2018年底開始營運，目標在2020財年的全年租金收入將不少於港幣4,000萬元
- **Hopewell New Town expects to book sales revenue of RMB600m in FY17**
合和新城預期在2017財年銷售收入入賬人民幣6億元
- **Exchange loss* will increase ~HK\$20m for every 1% RMB depreciation mainly based on GS' USD191m^ loan and HHL corporate level's RMB1,413m deposit as of 31 Dec 2015**
人民幣每貶值1%，匯兌虧損將增加約港幣2,000萬元，主要基於廣深高速1.91億美元貸款及合和實業公司層面的人民幣14.13億元存款（在2015年12月31日）

* Attributable to owners of the Company

^ HHI's share

For the six months ended 31-Dec (HK\$ in million) 截至12月31日止六個月 (港幣百萬元)	2014	2015	% change 變動(%)
EBIT 除利息及稅項前溢利	999	1,205	+21%
Core Profit* (excl. fair value gain of completed investment properties) 核心溢利 (未計及已落成投資物業公平值收益)	727	938	+29%

* Profit including completion gain of Lee Tung Avenue in 1HFY15

■ EBIT ↑21% mainly due to:

除利息及稅項前溢利上升21%，主要由於：

i) Profit shared from sales of The Avenue Phase 2

分佔薈匯二期的銷售溢利

ii) Continued growth of investment properties business, offset

投資物業的業務持續增長，抵銷了

iii) Exchange loss due to RMB depreciation (mainly GS' USD loan and HHL corporate level's RMB deposit)

人民幣貶值帶來的匯兌虧損 (主要來自廣深高速美元貸款和合和實業公司層面的人民幣存款)

iv) ↓ Treasury income

財資收入減少

v) ↓ Hospitality business' profit

酒店及餐飲業務的溢利減少

■ Profit attributable to owners of the Company ↑81% to HK\$1,559m

公司股東應佔溢利上升81%至港幣15.59億元

(HK\$ in million) (港幣百萬元)

For the six months ended 31-Dec 截至12月31日止六個月

	Revenue 收入			EBIT ^{N1} 除利息及稅項前溢利		
	2014	2015	Change	2014	2015	Change
Investment properties and hospitality 投資物業和酒店及餐飲						
Property letting, agency & management 物業租賃、代理及管理	474	550		296	371	
Hotel, restaurant & catering 酒店、餐廳及餐飲營運	240	216		72	51	
sub-total 小計	714	766	+7%	368	422	+15%
Property development (after interest & tax of JVs) 物業發展 (計及合營企業利息及稅項後)	751	4,131	+450%	71	453	+538%
Toll road investment (after interest & tax of JVs) 收費公路投資 (計及合營企業利息及稅項後)	1,244	1,246	+0%	312	293	-6%
Power plant (after interest & tax of JV) 電廠 (計及合營企業利息及稅項後)	505	414	-18%	70	62	-11%
Treasury income 財資收入	120	83	-31%	120	83	-31%
Others 其他	-	-		(62)	(108)	-74%
Revenue / EBIT before completion gain 收入／未計及落成收益的除利息及稅項前溢利	3,334	6,640	+99%	879	1,205	+37%
Completion gain on Lee Tung Avenue 利東街落成收益	-	-		120	-	
Revenue / EBIT 收入／除利息及稅項前溢利	3,334	6,640	+99%	999	1,205	+21%
				Results 業績		
				2014	2015	Change
Earnings before interest & tax 除利息及稅項前溢利				999	1,205	
Finance costs 財務成本				(46)	(34)	
Fair value gain of completed investment properties 已落成投資物業公平值收益				133	621	
Profit before tax 除稅項前溢利				1,086	1,792	
Taxation 稅項				(105)	(117)	
Profit for the period 本期溢利				981	1,675	
Minority interests 少數股東應佔淨溢利				(121)	(116)	
Profit attributable to owners of the Company 公司股東應佔溢利				860	1,559	+81%
Core Profit (excl. fair value gain of completed investment properties) 核心溢利 (未計及已落成投資物業公平值收益)				727	938	+29%

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 six months ended 31-Dec 截至12月31日止六個月	2014	2015	% change 變動(%)
EPS (HK\$) 每股溢利 (港元)	0.99	1.79	+81%
DPS (HK cents) 每股股息 (港仙)	Interim: 中期 50	Interim: 55 中期	

Results Highlights

業績摘要

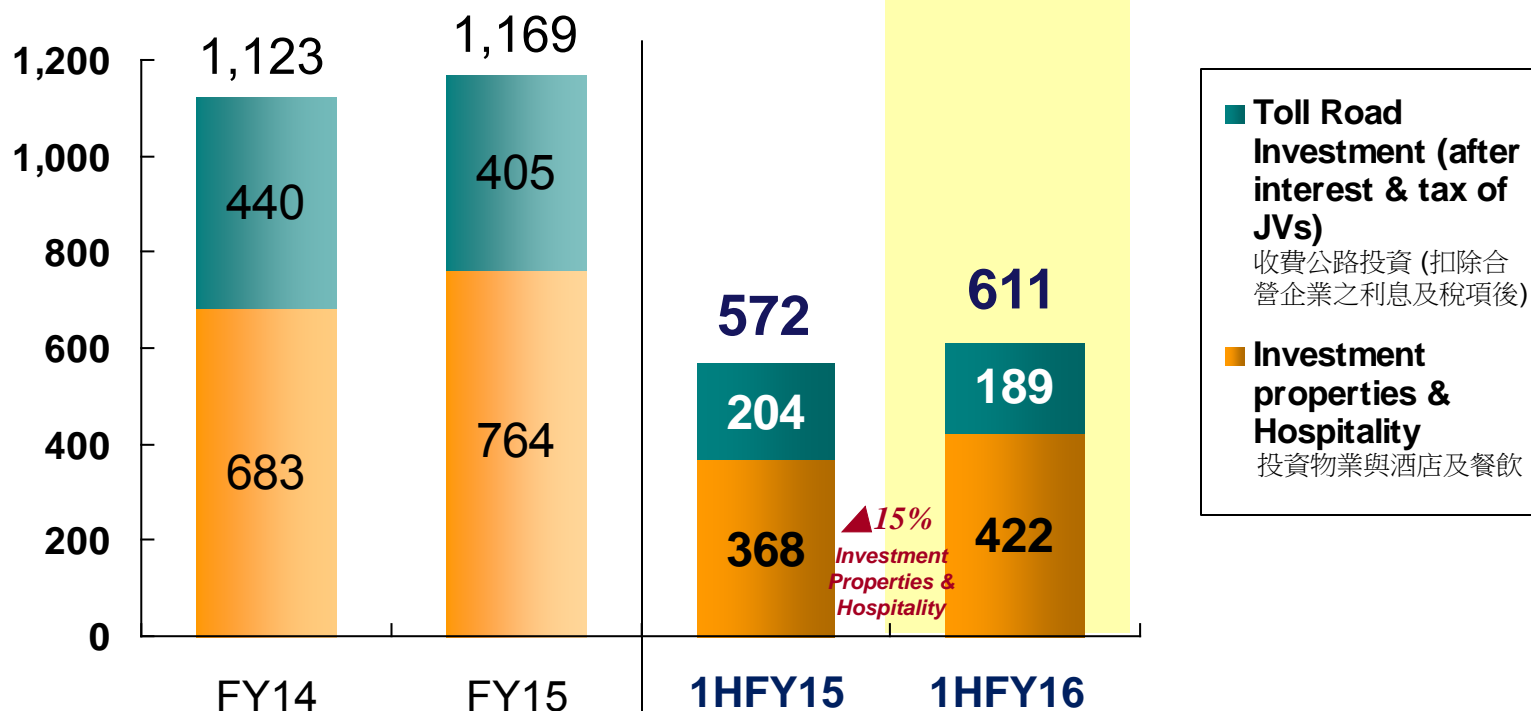
Operating profit* from prime-earning businesses HK\$611m in 1HFY16

2016財政年度上半年重點收益業務的營運溢利為港幣6.11億元

- ◆ 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

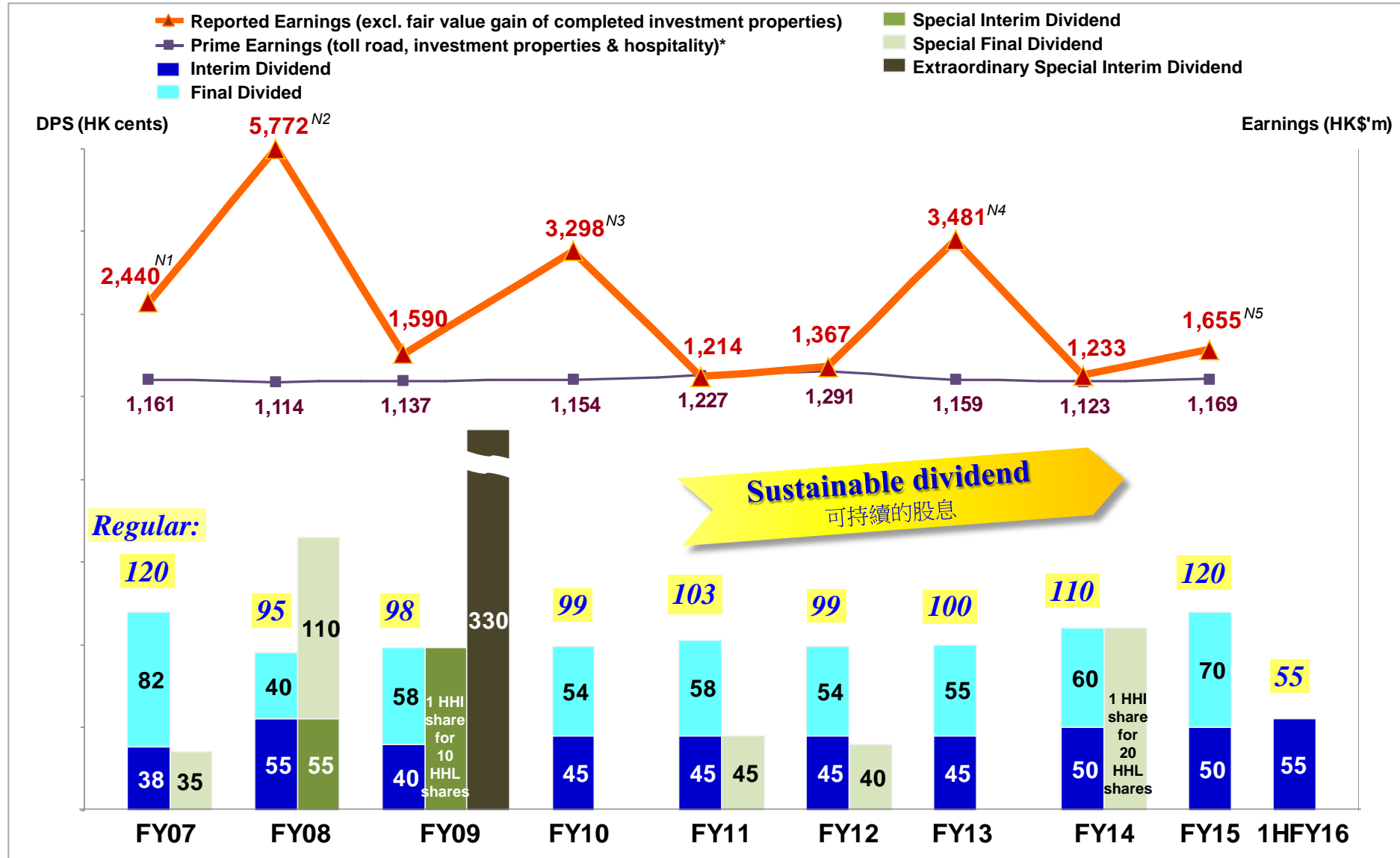
(HK\$ in million)



* 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



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
- Refinanced existing HK\$2b loan facility expiring 2018 with a 5-year HK\$3.2b loan facility**
 用五年期的港幣32億元備用貸款，為現有在2018年到期的港幣20億元備用貸款再融資
- Net debt HK\$68m as of 31 Dec 2015 (HK\$592m as of 30 Jun 2015)**
 在2015年12月31日的淨債務為港幣6,800萬元 (在2015年6月30日為港幣5.92億元)

HHL Corporate Level 合和實業公司層面	30-Jun-15 HK\$'M	31-Dec-15 HK\$'M	Change HK\$'M
Cash 現金	3,768	4,071	
Available Banking Facilities 可動用銀行貸款額	910	2,320	
Cash + Available Banking Facilities 現金+可動用銀行貸款額	4,678	6,391	+1,713
Net Debt 淨債務	592	68	
Net Gearing Ratio# (%) 淨資產負債比率	1.5%	0.2%	

Net debt / Shareholders' equity (exclude equity shared from HHI)

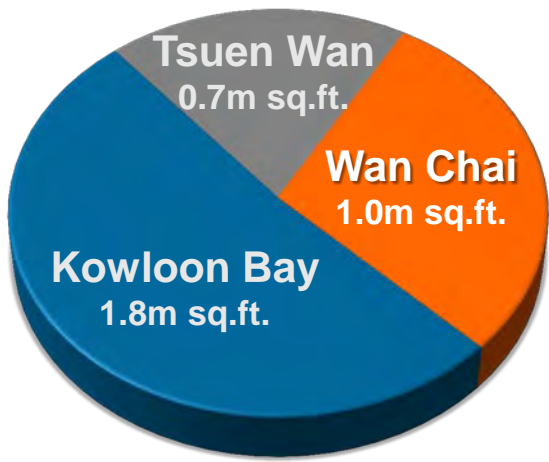
Investment Properties under Development

- Future Growth Driver

發展中的投資物業：未來增長的動力

Existing

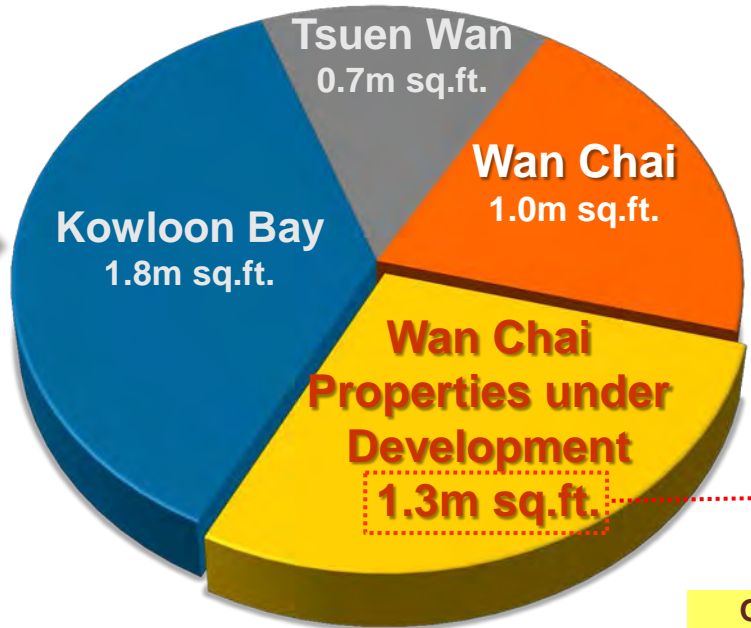
Total GFA: 3.5 million sq.ft.



+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	Operation Start [^]	GFA (sq.ft.) [^]
Hopewell Centre II	Conference Hotel	2019	1,100,000
155 - 167 QRE	Commercial	end 2018	75,000
Hill Side Terrace Cluster	Residential	under planning	130,000
			1.3m

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^{N1}: 101,600 sq.m.

- Hotel: 70,500 sq.m.
- Retail: 27,700 sq.m.
- Office: 3,400 sq.m.



Construction of Temporary Steel Work Platform



Soil Nail Installation

N1: Present planning, subject to change

Updates 最新概況

Construction plan:

工程計劃：

- ◆ **Complete site formation work 1H2017**
土地平整工程在2017年上半年完工
- ◆ **Start superstructure work 1H2017**
上蓋建築工程在2017年上半年動工
- ◆ **Complete podium structural framework 2H2017**
裙樓主體結構建築工程在2017年下半年完工

Target operation start in 2019

目標在2019年開始營運

Site formation works in progress

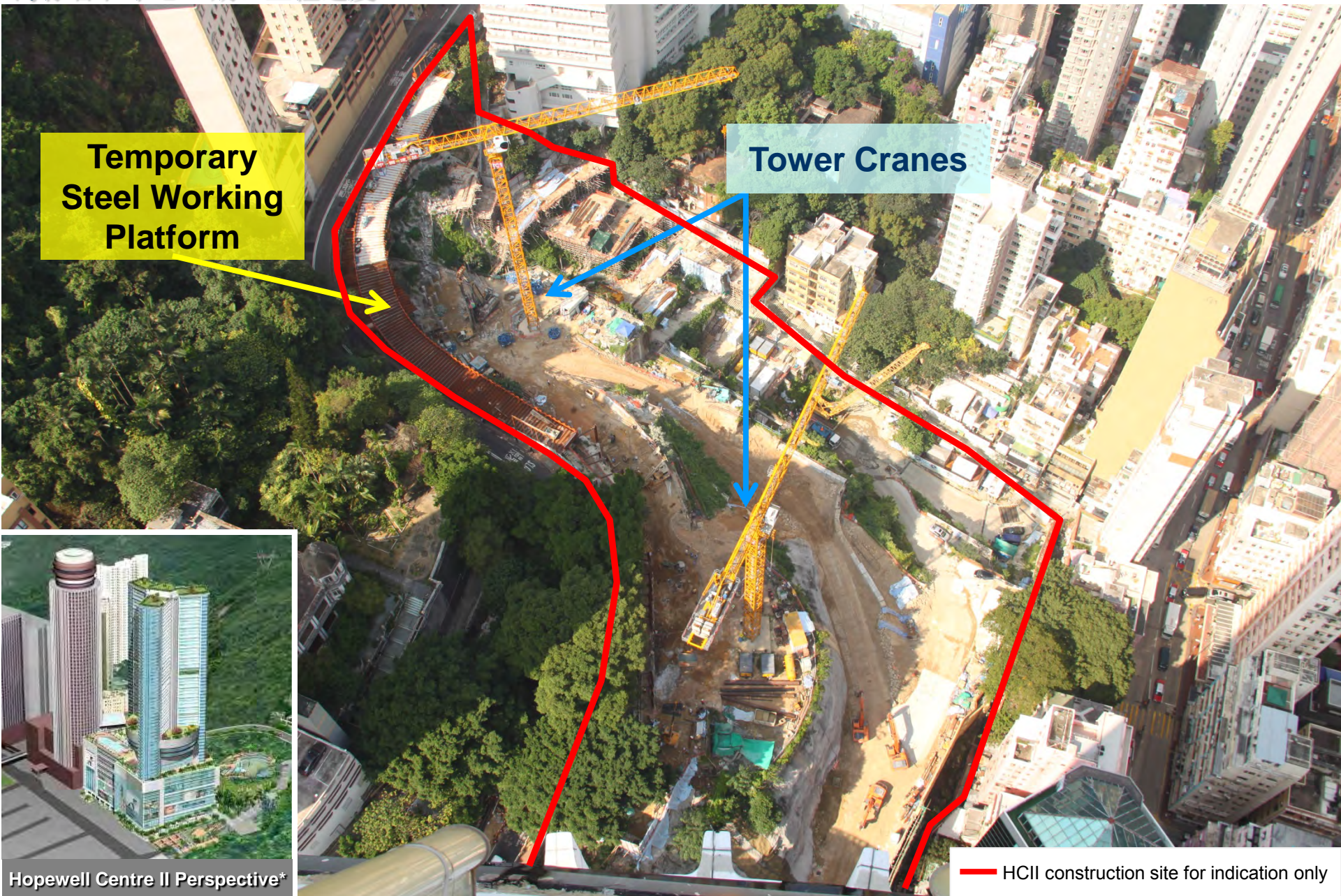
正進行土地平整工程

- ◆ **Avg. daily number of workers on site: ~100**
地盤日均工人約100人
- ◆ **Excavated soil/rock: ~30,000m³**
已挖掘約30,000立方米的泥土／石塊

Hopewell Centre II, Wan Chai - Construction Progress



灣仔合和中心二期：工程進度



Temporary Steel Working Platform

Tower Cranes



Hopewell Centre II Perspective*

* Present planning, subject to change

— Hcii construction site for indication only

Hopewell Centre II, Wan Chai

- Construction Timeline and Capex Plan^{N1}

灣仔合和中心二期：工程進度及資本開支計劃

Major Construction Works

Financial Year	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	>>>
Stage 1 Site preparation works									
Stage 2 Site formation & foundation works ^{N2}									
Stage 3 Podium structural framework									
Later Stage Structural framework, finishing and fitting out works, hotel set up									Commence Operation in 2019

Capex Plan

Financial Year	up to 30 Jun 2015	FY16	FY17	FY18 and Beyond
Amount (HK\$m)	around 4,470 ^{N3}	490	1,290	2,750

Planned Total Investment: around \$9b - \$10b

N1: Present planning, subject to changes
 N2: Include construction of retaining walls, soil and rock export
 N3: Include land premium HK\$3,726m

155-167 Queen's Road East, Wan Chai

灣仔皇后大道東155-167號

- **Construction works to develop a commercial property (scale similar to QRE Plaza) target to commence in 1H2016**

發展為一幢商業大廈 (規模類似QRE Plaza)，建築工程預期於2016年上半年展開

- **Plan to commence operation by end 2018**

計劃在2018年底開始營運

- **FY20 rental income target (full year): not less than HK\$40m**

目標在2020財政年度的全年租金收入將不少於港幣4,000萬元

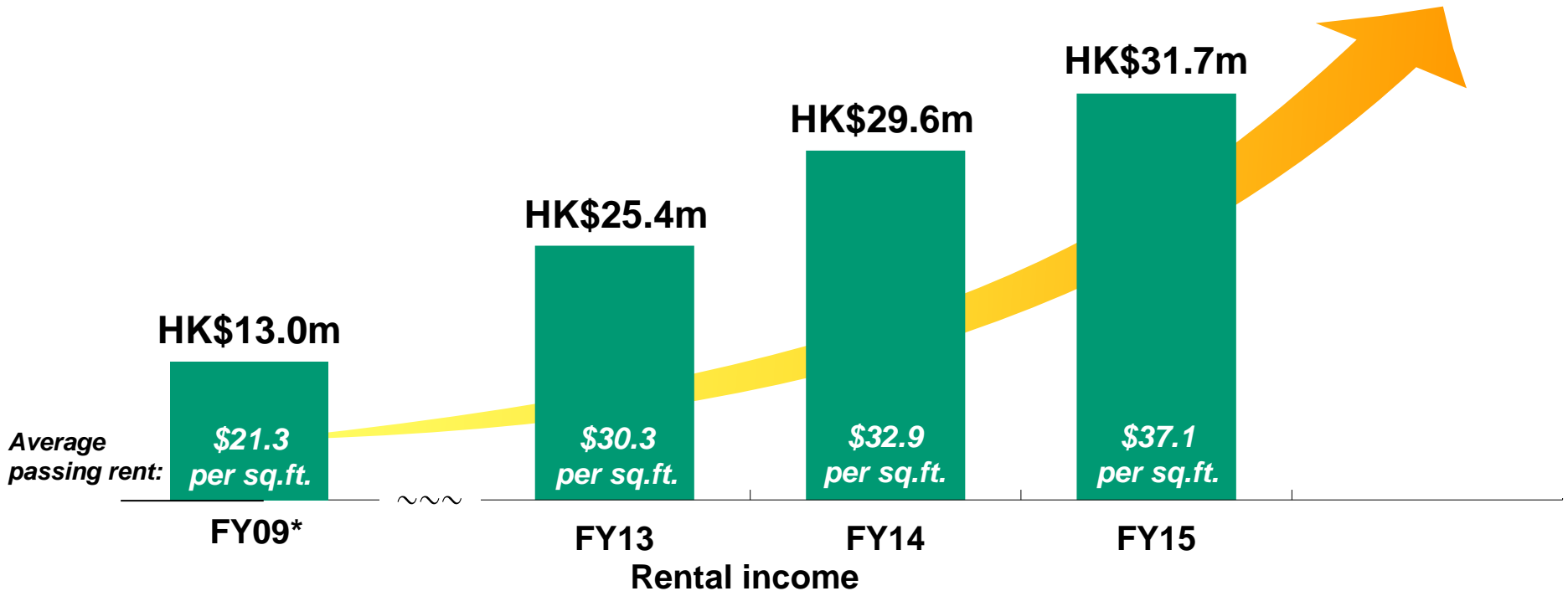
	155-167 Queen's Road East
Site Area	5,000 sq.ft.
Development GFA	75,000 sq.ft.

■ Refining tenant mix helps 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"> ■ F&B: <ul style="list-style-type: none"> - Han Ga Ram - O'Phillie's Bar ■ Bioscreen Organic Beauty 	<ul style="list-style-type: none"> F&B: <ul style="list-style-type: none"> - Mahalo Tiki Lounge - My House - Momojein - Espuma 	<ul style="list-style-type: none"> - TESLA car showroom (opening 2Q2016)
---	--	---



* QRE Plaza opened in Nov 2007

Hill Side Terrace Cluster Comprehensive Development

山坡臺建築群綜合發展

- Will restore and preserve Nam Koo Terrace and develop a residential building with open space provision

將會修復和保育南固台，同時發展住宅大廈並提供休憩用地

- Submitted a preservation cum development plan to Town Planning Board in Dec 2015

於2015年12月向城規會提交寓保育於發展規劃的申請

- Book cost as at 31 Dec 2015: ~HK\$600m

在2015年12月31日，賬面成本約港幣6億元

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

**Acquisition date of the last unit*

Timeline for Projects*

項目進度

	CY	2014	2015	2016	2017	2018	2019	> > > >
Hong Kong								
The Avenue/Lee Tung Avenue (HHL 50%)				<ul style="list-style-type: none"> • The Avenue Phase 2: 98.5% handed over (as of 11.2.16) • Lee Tung Avenue: Grand Opening 2Q2016 				
Hopewell Centre II (HHL 100%)			Site formation works to complete 1H2017		Superstructure works		Operation start: 2019	
155-167 Queen's Road East (HHL 100%)				Construction works to commence 1H2016			Operation start: end 2018	
Hill Side Terrace Cluster^ (HHL 100%)				Submitted development plan in Dec 2015				

^ Includes 1-3 Hill Side Terrace, 1A Hill Side Terrace, Nam Koo Terrace, Miu Kang Terrace and Schooner Street Site

* Present planning, subject to change

Property Portfolio in Wan Chai



灣仔的物業組合



Remarks: Boundary Line for Indicative only
 *HST / NKT / MKT Represent Hill Side Terrace / Nam Koo Terrace / Miu Kang Terrace Respectively

The Avenue, Wan Chai - Residential Sales

- 50:50 JV with Sino Land

灣仔囍匯：住宅銷售（與信和置業各佔一半權益之合營企業）

- Total GFA approx. 835,000sq.ft.
 - The Avenue: ~731,000sq.ft. (1,275 units)
 - Lee Tung Avenue: ~87,700sq.ft.
- Total investment \$9.8b (HHL's 50%: \$4.9b)

Sold 1,240 units or 97% of total units (as of 11 Feb 2016)

截至2016年2月11日，售出1,240個單位，佔單位總數的97%

Saleable area	Phase 1	Phase 2	Total
Units sold	178 (101,000 sq.ft.)	1,062 (517,000 sq.ft.)	1,240 (618,000 sq.ft.)
• As % of total units	99%	97%	97%
• Avg. selling price (sold units)	HK\$19,900/sq.ft.	HK\$22,200/sq.ft.	
Unsold units	35 (39,000 sq.ft.)		
• Estimated valuation	~HK\$36,000/sq.ft.		

1HFY16: Booked HK\$4,014m revenue (HHL's share after URA sharing) from Phase 2 sales (515,000 sq.ft.)

扣除市建局分佔後，合和實業應佔二期銷售收入份額為港幣40.14億元（515,000平方呎），已在2016財政年度上半年入賬

HHL received net proceeds HK\$1.8b as of 11 Feb 2016

截至2016年2月11日，合和實業已收取港幣18億元的銷售淨額



Lee Tung Avenue, Wan Chai - Retail for Rental

灣仔利東街：商舖租賃

Retail GFA: 87,700ft²
零售商舖總樓面面積：87,700平方呎

■ **Occupancy rate: around 90%; Average rent: HK\$68/sq.ft. (as of 11 Feb 2016)**

截至2016年2月11日的出租率約90%；平均租金為每平方呎港幣68元

■ **Target grand opening in 2Q2016**

目標於2016年第2季開幕



<i>Progress</i>	2014	2015	2016	2017	2018 & Beyond
Johnston Tunnel (Lee Tung Avenue → MTR)	2Q2014: Approved by Government and under construction. Plan to complete construction in 1H2017				
Queen's Road East Tunnel (Lee Tung Avenue → Hopewell Centre)	Under planning				

Hopewell New Town, Huadu, Guangzhou – Residential & Commercial

廣州花都合和新城（住宅及商業）

■ **1HFY16 revenue increased 115% to RMB101m**

2016財政年度上半年的收入上升115%至人民幣1.01億元

	FY16	FY17	FY18
Sales target	RMB850m (85,000 sq.m.)		not less than 45,000 sq.m.
Sales expected to be booked	RMB250m* (40% booked in 1HFY16)	RMB600m	Total sales (as of 19.2.16): RMB280m → Exceeds FY16 booking target
	Handed over: ~60% as of 19.2.16		

* Based on estimated transaction progress

■ **Nearby MTR Route No. 9 plans to commence operation in 2017*. An MTR exit plans to be built near the site**

鄰近的地鐵9號綫計劃在2017年營運，其中一地鐵出口將位於合和新城附近

■ **Continues to explore ways to control the construction cost and improve profitability**

繼續探索不同方法控制建築成本和改善利潤








■ **Currently studying various options for the development of a commercial strip with permissible GFA of 150,000 sq.m. (1.6M sq.ft.)**

現正研究不同方案以發展總樓面面積150,000平方米 (160萬平方呎) 的商業帶

* According to Huadu Government's website

Target E-Max's retail rental income to grow over 20% yoy in FY16 and FY17

E-Max零售租金收入目標在2016財年和2017財年增長逾20%

Year	Event		Achievements / Plans
2014	Feb	The Metroplex: G/F	 - Over 890k audience since opening Feb 2014 - Box office ↑ 94% yoy in 2015 (vs HK market ↑ 21%)
	Jun	Rotunda 2 refurbishment: 2/F	
	2H	Refined tenant mix: G/F & 2/F	- 759 flagship store opened
	Nov	E-Max Home: 4/F & 5/F	 - Rental rate more than tripled
2015	Jul	BOUNCE Trampoline gymnasium: G/F (former swimming pool area)	 - Rental rate more than tripled
2016	2Q*	Food court ~30,000 sq.ft. and Supermarket: 2/F	  - Including Michelin recommended restaurants
	2Q*	Volkswagen showroom: G/F ~8,000sq.ft.	
	Summer*	New Wedding Venue: 3/F	- Will increase footfall and positive to E-Max's rental
	4Q*	Upmarket fashion outlets: G/F ~65,000sq.ft.	
2017-2018	Under planning	Expansion of upmarket fashion outlets: B1/F & B3/F ~200,000sq.ft.	- Plans to convert existing auto mall into retail shops (subject to government approval)

* Target date

■ 1HFY16 total revenue ↓11% yoy to HK\$163m due to ↓7% tourist arrivals (strong HKD)

2016財政年度上半年總收入按年下跌11%至港幣1.63億元，主要由於港元升值使訪港旅客下跌7%

- ◆ **Average room rate ↓20% yoy, average room occupancy rate ↑ 2% to 98%**
平均房間價格按年下跌20%，平均房間入住率上升2%至98%
- ◆ **F&B revenue ↑5% yoy to HK\$57m partly offset room revenue ↓18% yoy to HK\$106m**
餐飲業務收入按年上升5%至港幣5,700萬元，部分抵銷了客房收入下跌18%至港幣1.06億元
 - **Tailor-made catering packages for corporates and wedding**
特別為企業活動和婚宴度身定制的酒席套餐

■ Challenging outlook on HK's hotel industry

香港酒店業的前景充滿挑戰

■ To maintain competitiveness:

為保持競爭力

- ◆ **Continue to diversify customer mix and strengthen MICE business**
繼續多元化客戶組合和加強MICE業務
- ◆ **An additional catering venue “the Crystal” (22 tables or 450 people) for banquets and meetings, opened in mid-Sep 2015**
新增一個可用作宴會及會議的場所“the Crystal”(可容納22桌或450人)，並已在2015年9月中啟用

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 ↑7% yoy to HK\$766m in 1HFY16

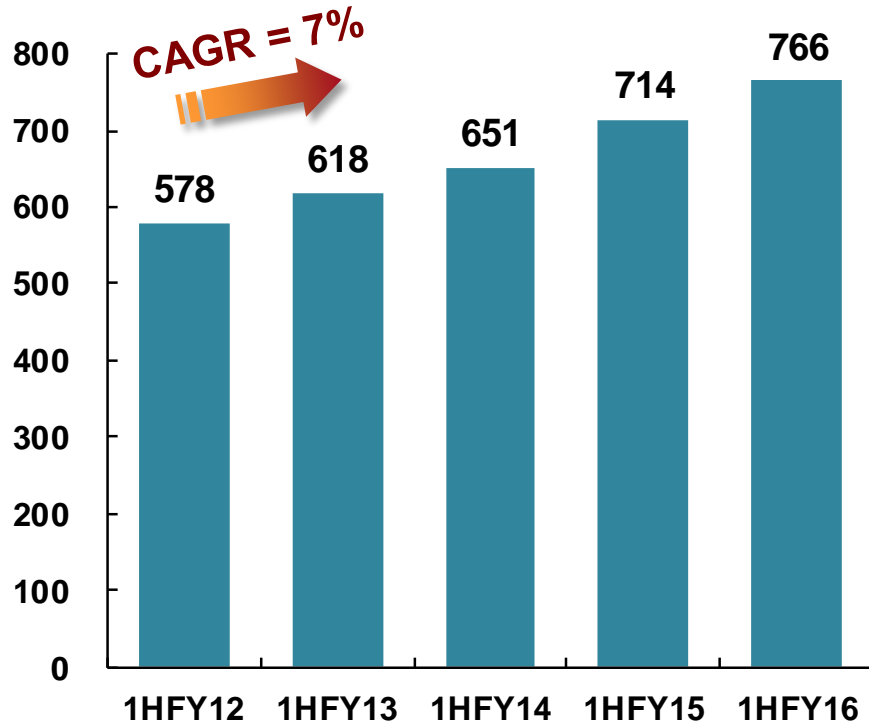
2016財政年度上半年的收入按年增長7%達港幣7.66億元

■ EBIT ↑15% yoy to HK\$422m in 1HFY16

2016財政年度上半年的除利息及稅項前溢利按年增長15%達港幣4.22億元

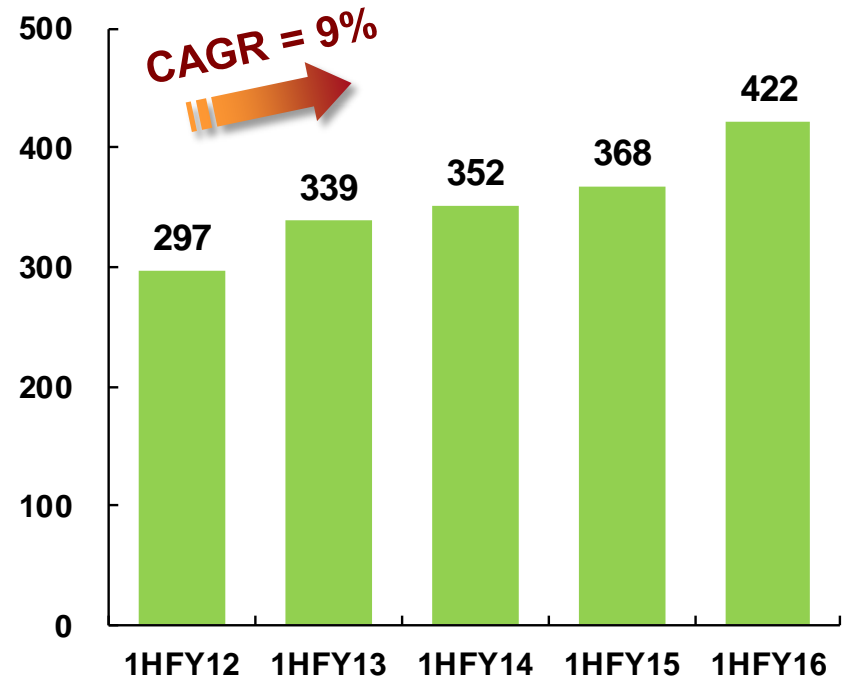
Revenue – Investment Properties & Hospitality

(HK\$ in million)



EBIT – Investment Properties & Hospitality

(HK\$ in million)



Investment Properties' Performances



投資物業的表現

■ EBIT margin improved to 67% in 1HFY16, a sustainable level (1HFY15: 62%)

2016財政年度上半年的除利息及稅項前溢利率改善至屬可持續水平的67% (2015財年上半年：62%)

◆ Due to rise in rental revenue and cost control

由於租金收入上升和有效控制成本

■ On track to achieve the office rental targets disclosed in FY15 final results

正實現於2015財政年度全年業績所披露的寫字樓租金目標

	Average Occupancy Rate ^{N1} 平均出租率		YoY change in Average Rental Rate
	1HFY15	1HFY16	平均租金的按年變動
Hopewell Centre 合和中心	96%	94%	+11%
KITEC Office 九龍灣國際展貿中心寫字樓	95%	95%	+13%
KITEC E-Max 九龍灣國際展貿中心E-Max	87% ^{N2}	88%	+37%
Panda Place 悅來坊商場	92%	97%	+16%
QRE Plaza	88%	100%	+7%
GardenEast (apartments)	96%	87%	+9%

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

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

N2: Due to the closure of certain portions of E-Max retail space for refurbishment which started in Apr 2013

Hopewell Centre, Wan Chai

– Continuous Enhancement to maintain Competitiveness

灣仔合和中心：不斷優化以保持競爭力

Office 寫字樓

■ Rental income growth mainly driven by:

租金收入上升主要由於：

- ◆ **Continuous enhancement of facilities and services**

不斷改善設施和服務

- ◆ **Refining tenant mix**

調整租戶組合

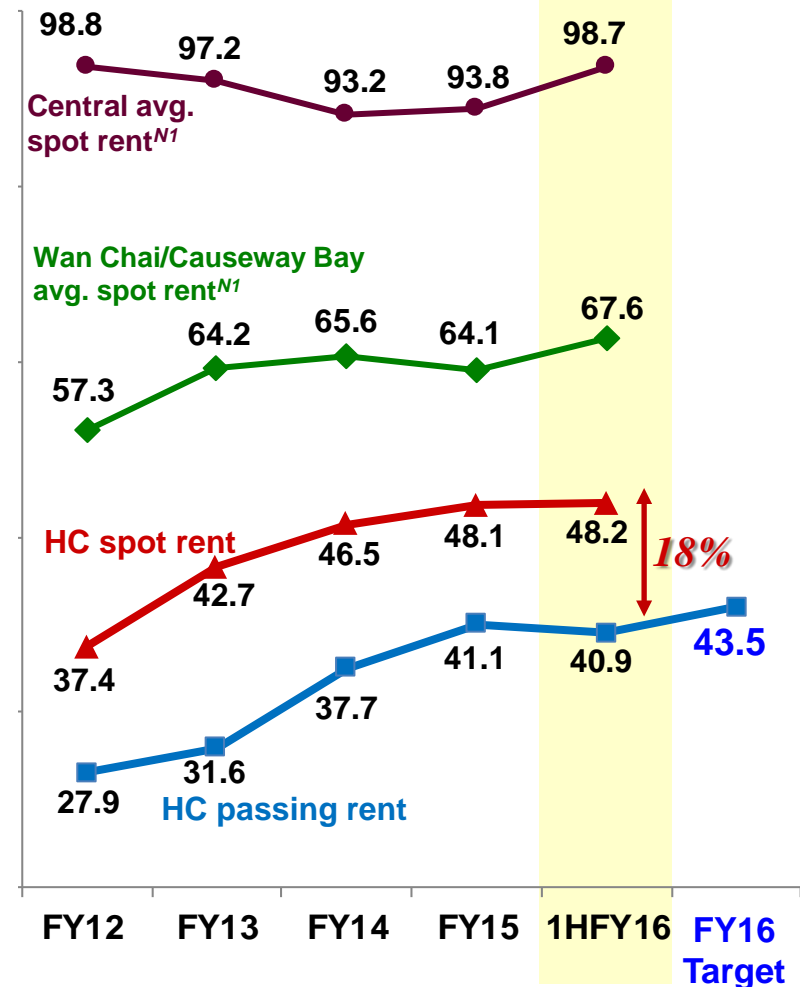
Retail 零售

■ Tang's Cuisine, high-end Chinese restaurant, opened in Sep 2015

知名高級中國食府唐宮壹號，已在2015年9月開業

Hopewell Centre office spot rents vs peers

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



N1: Figures from Rating & Valuation Dept, 1HFY16 figures up to Dec-15

KITEC Office, Kowloon Bay

九龍灣國際展貿中心寫字樓

- Achieved rental growth and benefits from Kowloon East's development into a quality business district and relocation plan of Government offices**

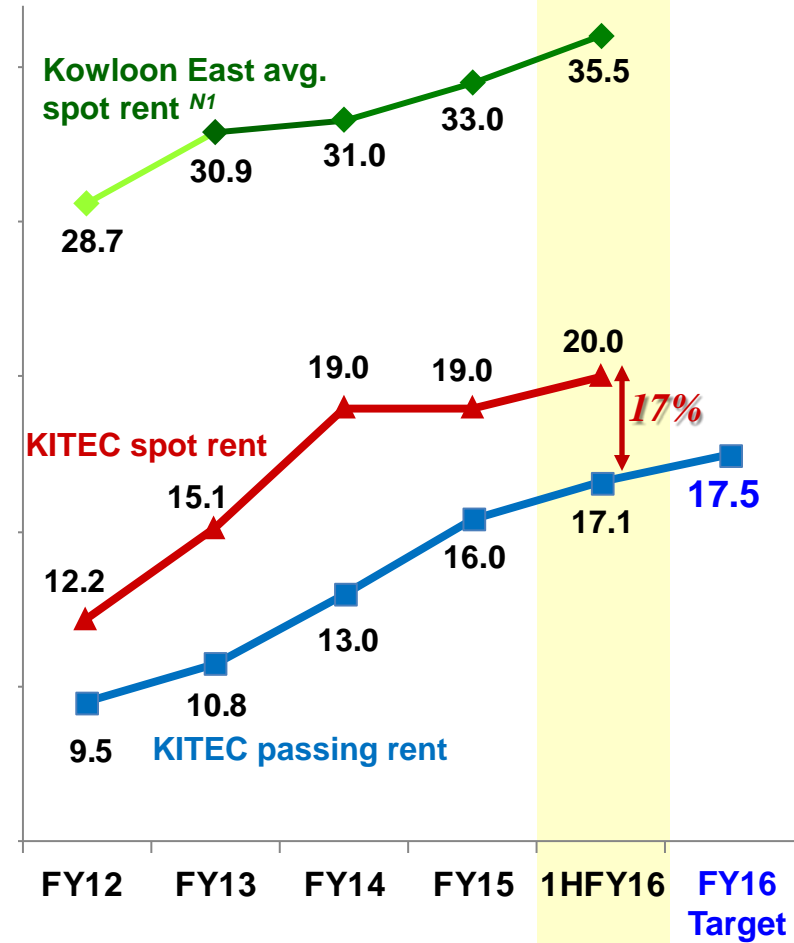
租金上升，並受惠於九龍東發展為一個優質的商業區及政府部門搬遷計劃

- Government: anchor tenant ~256,000 sq.ft. (34% total office GFA*) – Hospital Authority, Labour Dept, Registration & Electoral Office**

政府部門為主要租戶，租用約256,000平方呎 (佔寫字樓總樓面面積34%) – 醫管局、勞工處、選舉事務處

KITEC office spot rents vs peers

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



N1: FY12: figures from Savills Research & Consultancy (for reference only)
 FY13-1HFY16: figures from Rating & Valuation Dept (Kowloon Bay/
 Kwun Tong, Feb13–Dec15)

* GFA of office approx. 750,000 sq.ft., retail approx. 760,000 sq.ft.

Panda Place, Tsuen Wan

荃灣悅來坊商場

GFA approx. 229,000ft²

總樓面面積約229,000平方呎

- **Rental income ↑24% yoy to HK\$31m in 1HFY16 due to tenant mix reshuffling on 2/F completed in 1Q2015**

重組2樓的租戶組合已在2015年第1季完成，帶動2016財政年度上半年的租金收入按年上升24%至港幣3,100萬元

- ◆ **Expect stable rental income growth due to completion of major tenant reshuffling**

由於完成重組主要租戶，預期租金收入增長穩健



Sound Financial Plan



穩健的財務計劃

Projects	Target Completion	Total Investment ^{N1} HK\$'M	Interest %	HHL's Injection FY16 to FY18 ^{N1} HK\$'M
<u>Hong Kong</u>				
The Avenue / Lee Tung Avenue	2015	9,800	50%	No need to inject further funds
Hopewell Centre II	2019	9,000 - 10,000	100%	3,900 (FY16: 490; FY17: 1,290; FY18: 2,120)
Wan Chai projects ^{N2}	Development plan under study			320
TOTAL				4,220

N1: Present planning, subject to change

N2: Including 155-167 Queen's Road East, Hill Side Terrace Cluster

■ 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 of The Avenue, Hopewell New Town and Broadwood Twelve**
薈匯、合和新城及樂天峯帶來的售樓收益
- ◆ **HK\$2.3b and HK\$3.2b committed banking facilities maturing in 2018 and 2020 respectively**

已承諾銀行備用貸款港幣23億元和港幣32億元，分別將於2018年和2020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 31 Dec 2015 (HK\$ in million)	HHI Business	HHL - Other Businesses	HHL Group Total
Completed investment properties	-	28,831	28,831
Panda Hotel	-	353	353
Properties under development			
Hopewell Centre II			
- Commercial portion	-	4,510	4,510
- Hotel portion	-	2,367	2,367
155-167 Queen's Road East	-	763	763
Properties for development	-	836	836
Interests in JVs (Toll Roads, Power Plant & The Avenue/Lee Tung Ave)	7,713	1,799	9,512
Other assets/liabilities	536	1,223	1,759
Non-controlling interests	(2,738)	(165)	(2,903)
Shareholders' equity	5,511	40,517	46,028
			(HK\$52.8/share)*
Total hidden value		7,189	
			(HK\$8.2/share)*
Adjusted shareholders' equity (unaudited)		53,217	
			(HK\$61.0/share)*

As at 31 Dec 2015 (HK\$)	Panda Hotel	HC II hotel portion	HHI Business
Market value	\$3,222m \$3.5m/room DTZ valuation report	\$4,512m \$4.4m/room under development DTZ valuation report	\$7,686m 2,055m shares (HHL's 66.7% stake) x HHI's market price @ HK\$3.74 as of 31.12.2015
Book value	\$353m \$0.4m/room at cost less depreciation	\$2,367m \$2.3m/room under development at cost	\$5,511m at cost less depreciation
Hidden value	\$2,869m \$3.3/share*	\$2,145m \$2.4/share*	\$2,175m \$2.5/share*



Total: \$7,189m
\$8.2/share*



7,189

(HK\$8.2/share)*



* No. of HHL shares in issue: 871.5 million (as of 31 Dec 2015)

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	4,348,000 (0.5% of issued shares)	26.55	24.20	25.46
FY14 Total	1,228,000 (0.1% of issued shares)	26.95	25.85	26.46
FY15 Total	nil	-	-	-
FY16 (up to 22 Jan 2016)	1,400,000 (0.2% of issued shares)	27.55	24.50	25.94

~ End of Presentation ~

A grayscale illustration of a modern cityscape with various buildings, a road with cars, and a cloudy sky. The text is overlaid on this background.

Supplementary Information

補充資料

Reconciliation of Revenue and Results with Consolidated Statement of Comprehensive Income



收入及業績與綜合全面收益表對賬

(HK\$ in million)	Revenue 收入		Results 業績	
For the six months ended 31-Dec 截至12月31日止六個月	2014	2015	2014	2015
Revenue/EBIT per "HHL Results" slide 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	3,334	6,640	999	1,205
Less: 減:				
Treasury income 庫務收入	(120)	(83)	-	-
Shares of revenue of JVs engaged in 應佔合營企業之收入				
- Toll road 收費公路	(1,244)	(1,246)	-	-
- Power plant 電廠	(505)	(414)	-	-
- Property development 物業發展	(694)	(4,014)	-	-
Add: 加:				
Fair value gain of completed investment properties 已落成投資物業公平值收益	-	-	133	621
Finance costs 財務成本	-	-	(46)	(34)
Turnover/Profit before taxation per Consolidated Statement of Comprehensive Income 按照綜合全面收益表的營業額／除稅前溢利	771	883	1,086	1,792

Investment Properties and Hospitality Revenue

投資物業和酒店及餐飲的收入

(HK\$ in million) For the six months ended 31-Dec	Revenue*		yoy change
	2014	2015	
Investment Properties			
Rental income - office	181	198	+9%
Rental income - retail	118	157	+33%
Rental income - residential	41	39	-5%
Convention and exhibition	32	34	+6%
Air conditioning & management fee	68	76	+12%
Carpark & others	34	46	+35%
Investment Properties sub-total	474	550	+16%
Hospitality			
Room Revenue	129	106	-18%
Restaurants, catering operations and others	111	110	-1%
Hospitality sub-total	240	216	-10%
Total	714	766	+7%

* Excluding tenancies for HHL's own use

Impact from RMB Depreciation

人民幣貶值帶來的影響

- **If RMB depreciates by 1%, exchange loss* will increase by approx. HK\$20m**
當人民幣每貶值1%，匯兌虧損將增加約港幣2,000萬元

- **HHL's exchange loss mainly from:**
合和實業的匯兌虧損主要來自：
 - ◆ **GS Superhighway JV's USD191m loan (HHL's share)**
廣深高速合營企業的1.91億美元貸款 (合和公路基建份額)

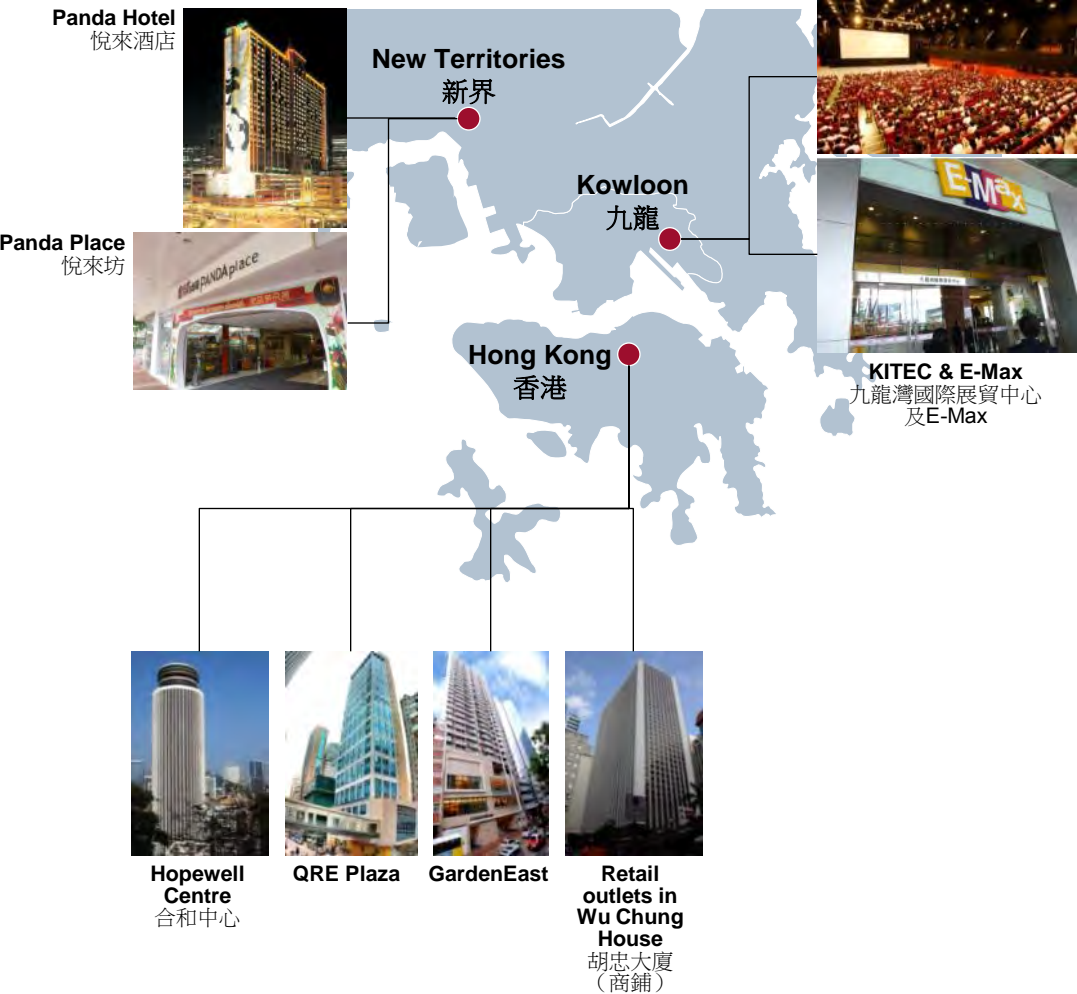
 - ◆ **HHL corporate level's RMB1,413m deposit**
合和實業公司層面的人民幣14.13億元存款

- **HHL will continue to remain vigilant in monitoring its currency exposure**
合和實業會繼續監測貨幣風險

* Attributable to owners of the Company

Investment Properties

投資物業



	Approx. GFA 概約樓面面積 (sq.ft.)
Hopewell Centre 合和中心	840,000
KITEC and E-Max 九龍灣國際展貿中心及E-Max <i>(incl. Star Hall 30,000sq.ft. & Metroplex >1,100 seats)</i>	1,775,000
QRE Plaza	77,000
GardenEast (216 units)	96,500
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.

Hopewell Centre Office, Wan Chai

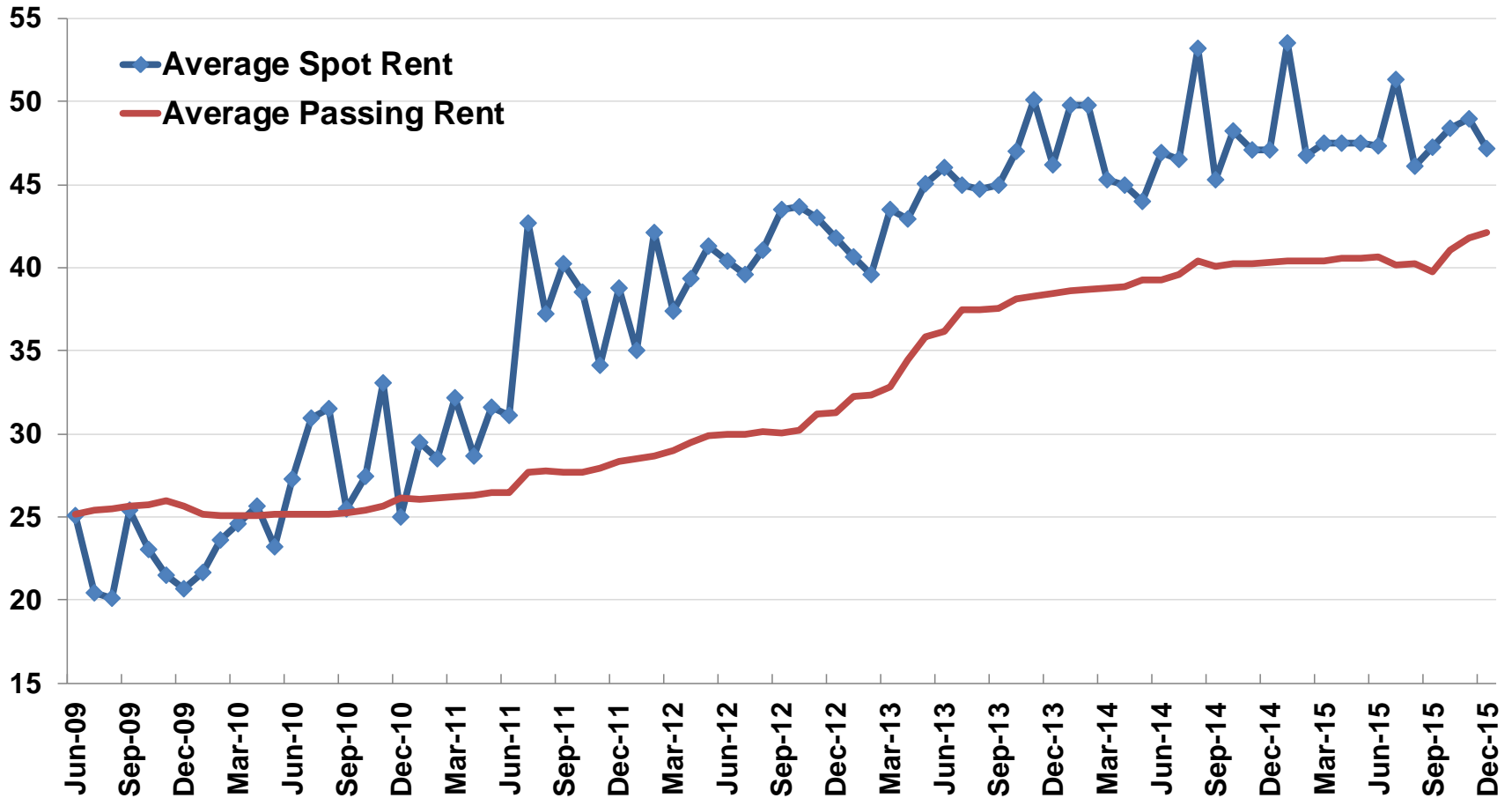
– Average Spot and Average Passing Rent



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 (FY10 – 1HFY16)

(HK\$/sq.ft.)



KITEC Office, Kowloon Bay

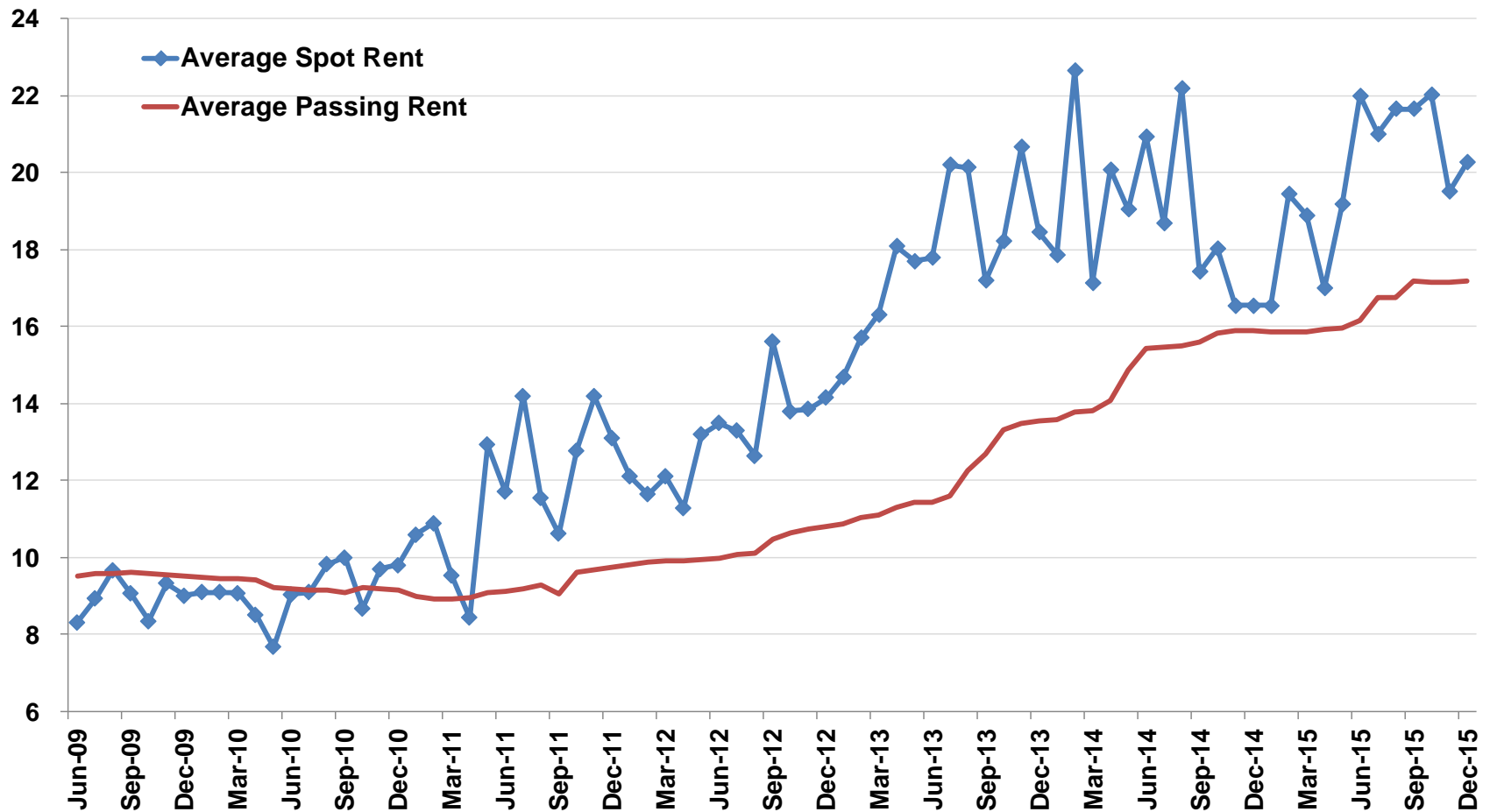


– Average Spot and Average Passing Rent

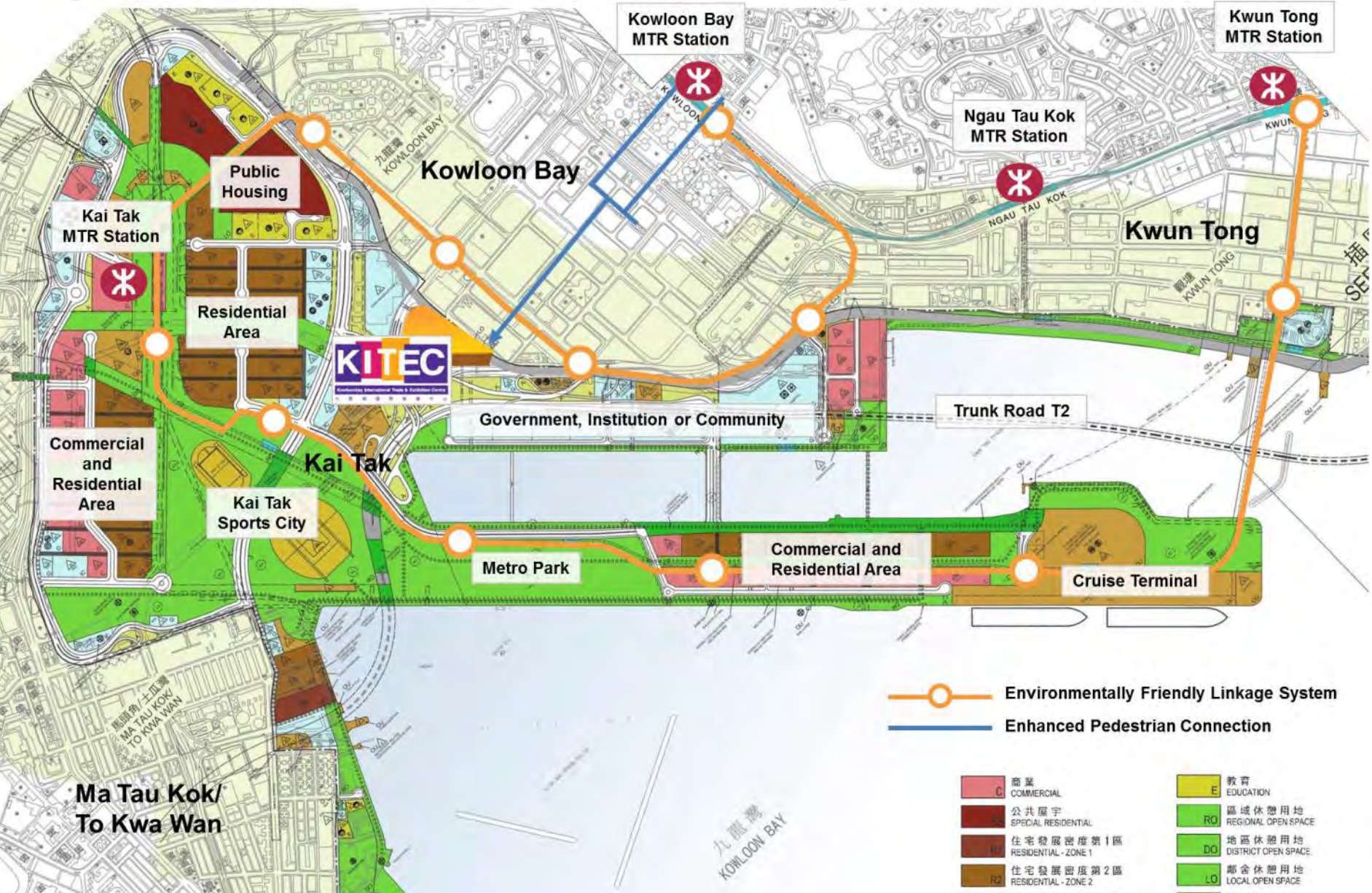
九龍灣國際展貿中心寫字樓：平均市值租金及平均現收租金

Average Spot and Average Passing Rent (FY10 – 1HFY16)

(HK\$/sq.ft.)



Superb Intra-district Connectivity 緊密連繫各區



Source: The HKSAR Government

Note: Based on latest publications and plans available.

The details of the Environmentally Friendly Linkage System and the Enhanced Pedestrian Connection are for reference only and are not drawn to scale.

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 11 Feb 2016,
 - ◆ Sold 59 out of 76 units, with sales proceeds \$2.7b^{N1}
截至2016年2月11日, 76個單位中已售出59個單位, 帶來港幣27億元的收益
 - ◆ Average selling price of units sold: 已售出單位的平均售價
 - \$34,100/sq.ft. (saleable area)
每平方呎港幣34,100元 (實用面積計)
 - ◆ 10 unsold units^{N2} leased at average monthly rental rate of \$66/sq.ft. (saleable area)
已租出10個未售出的單位, 平均呎租港幣66元 (實用面積計)
- Sales brochure of unsold units uploaded on website and ready to re-launch sales
未售出單位的售樓書已上載至網站, 準備重新推售

N1: Includes carpark

N2: The leased units will still be available for sale

Hopewell New Town, Huadu, Guangzhou

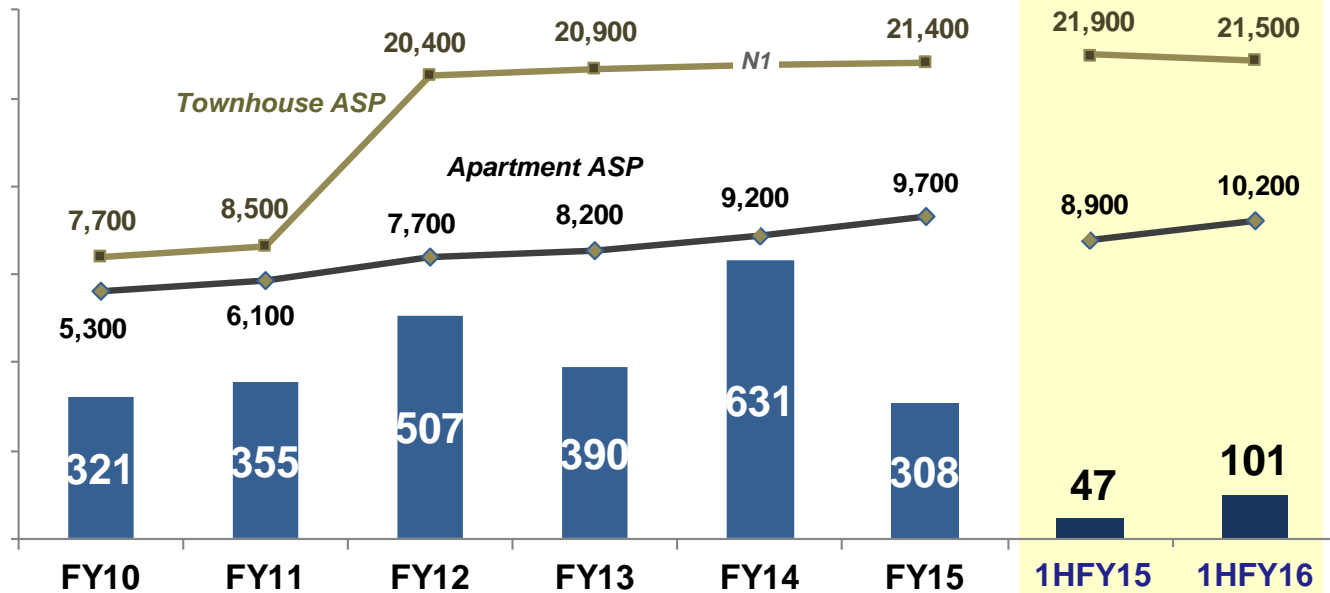
– Historical Revenue and Average Selling Price

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

Revenue (RMB'm)

ASP (RMB/sq.m.)



GFA booked (sq.m.)

Apartment	41,000	56,000	24,500	41,000	67,600	29,600	4,300	9,300
Townhouse	13,000	1,000	13,800	1,700	-	900	300	300

Units booked

Apartment	366	574	306	333	695	252	28	74
Townhouse	43	4	48	6	-	3	1	1

N1: No sales of townhouse booked in FY14

Liede Integrated Commercial (Operating Lease) Project

Zhujiangxincheng, Tianhe District, Guangzhou

廣州天河區珠江新城獵德綜合商業(營業租約)項目

- **Entered in agreement with Guangzhou Liede Economic Co Ltd that HHL would not proceed with the project**

與廣州市獵德經濟發展有限公司簽訂協議，合和實業將不繼續此項目

- **The withdrawal:**

撤回項目：

- ◆ **Shall enable HHL to focus on its core businesses**
- ◆ **No material adverse impact on HHL's existing business and financial position**

令合和實業將更集中於核心業務

對合和實業現有業務及財務狀況並無顯著不利的影響

Heyuan Power Plant, Guangdong

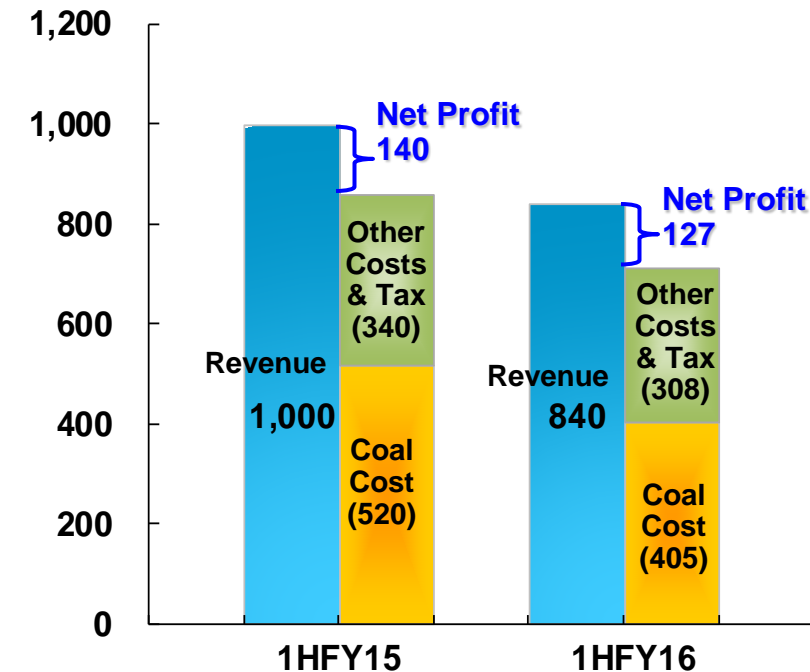
廣東省河源電廠

JV Results (HHL's Share^{N1})

(RMB in million)	1HFY15	1HFY16	yoy
Revenue	400	336	-16%
Net Profit	56	51	-9%

P&L Highlight - JV Level 100%

(RMB in million)



Updates

- Net profit ↓9% as ↓coal cost offset by**
 淨溢利下跌9%，由於煤炭價格下跌，被以下影響抵銷了
 - ↓ Utilisation rate i) PRC economic slowdown; ii) ↓ fossil fuel electricity usage in Guangdong due to ↑ nuclear power and other renewable power**
 使用率下跌由於 i) 中國經濟放緩；ii) 核電及其他可再生能源的增加，令廣東省的火電使用減少
 - ↓ On-grid tariff (tariff cut in Sep 2014 & Apr 2015)**
 上網電價下跌 (電價在2014年9月及2015年4月下調)
- HHL's shareholder's loan to JV outstanding: RMB100m (as of 31.12.2015)**
 合和實業提供股東貸款予合營企業，截至2015年12月31日，未償還貸款為人民幣1億元
- Stable contribution to HHL given continued power demand in Guangdong**
 廣東省電力需求持續，為合和實業提供穩定的溢利
- Currently studying Heyuan Power Plant Phase II (2 x 1,000MW coal-fired)^{N2}**
 現正研究興建河源電廠二期 (兩台1,000兆瓦燃煤發電機組)

N1: Representing both HHL's effective stake of 35% and minority interest of 5% in the joint venture

N2: Subject to approval by PRC authorities

Heyuan Power Plant, Guangdong

廣東省河源電廠



Key Operating Statistics 主要營運數據

	1H FY15	1H FY16
Gross generation 總發電量	2,500GWh 25億千瓦時	2,200 GWh 22億千瓦時
Utilisation rate^{N1} 使用率 (Utilisation hours) (使用小時)	47% (2,060 hours)	42% (1,852 hours)
Availability factor^{N2} 可利用率	78%	68%
Average on-grid tariff (with desulphurization, denitrification and dust removal) (excl. VAT) 平均上網電價 (包括脫硫、脫硝及除塵；但不包括增值稅)	RMB431.1/MWh	RMB403.3/MWh
Approx. coal cost (5,500 kcal/kg) (incl. transport; excl.VAT) 概約煤價 (每公斤5,500大卡) (包括運費; 但不包括增值稅)	RMB565/ton	RMB486/ton

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

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

~ END ~