



Stock Code: 54

# HOPEWELL HOLDINGS LIMITED

合和實業有限公司

# 2016/17

## Interim Results



24 January 2017

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

## 1H FY2017

- **HHL is planning celebrations for the 45<sup>th</sup> anniversary of listing on HK Stock Exchange**  
合和實業正籌備慶祝在港交所上市45周年
- **EBIT down 16% yoy to HK\$1,010m due to HK\$427m profit shared from sales of The Avenue last period. EBIT ex-profit from sales of The Avenue up 27% yoy**  
由於上年同期包括囍滙銷售收益份額港幣4.27億元，除利息及稅項前溢利按年下跌16%至港幣10.10億元。除利息及稅項前溢利不計及囍滙銷售份額按年上升27%
- **Core profit<sup>#</sup> (ex-fair value gain of completed investment properties) down 29% yoy to HK\$669m (HK\$0.77/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) 按年下跌29%至港幣6.69億元 (每股港幣0.77元)
- **Interim dividend HK55 cents per share**  
中期股息每股港幣55仙
- **Retail rental income up 6% yoy given (i) retail portfolio consists of neighborhood shopping centres for local shoppers; (ii) Lee Tung Avenue full period contribution**  
由於 (i) 零售物業組合是以本地消費為主的鄰里購物中心；(ii) 利東街的全期貢獻，零售租金收入按年上升6%

## 1H FY2017

- **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，並廣受市場歡迎
- **Hopewell Centre II construction advancing full steam forwards, targets to complete in 2019**  
合和中心二期的建築工程全速推進，目標在2019年完工
- **As at 31 Dec 2016, all units of The Avenue were sold**  
在2016年12月31日，薹滙的所有單位已售出
- **Hopewell New Town estimates to book ~RMB700m sales in FY17 (exceeds target of RMB600m); RMB474m sales booked in 1HFY17**  
合和新城預期在2017財年的銷售收入入賬約人民幣7億元 (已超過預定的目標人民幣6億元)；  
人民幣4.74億元銷售已在2017財年上半年入賬
- **Panda Hotel's total revenue fell 2% yoy mainly due to drop in tourist arrivals**  
由於訪港旅客人數下跌，悅來酒店的整體收入按年下跌2%

## Upcoming: 2H FY2017 & Beyond

- **E-Max under evolution, expansion of upmarket fashion outlets: B1/F tenants will be vacated for renovation by 1QCY17. New tenants planned to start operation summer 2018**

E-Max正在蛻變，將擴建高級服裝特賣場：將在2017年第1季前騰空B1樓層的租戶以進行裝修。新的租戶計劃於2018年夏季開業

- **2/F food court will partially open in 1QCY17**

2樓的美食廣場，將在2017年第1季局部開業

- **Target E-Max's rental income 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%

- **Expand the project 155-167 QRE into 153-167 QRE to increase the interface for HHL's property portfolio on QRE**

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

- **The project envisions to commence operation in 2021**

此項目預估在2021年開始營運

- **Hopewell New Town targets to book sales revenue of approximately RMB500m in FY18. Pre-sale planned to start 2QCY17**

合和新城在2018財年的目標入賬銷售收入約人民幣5億元，計劃2017年第2季開始預售

# Results Highlights 業績摘要

For the six months ended 31-Dec 截至12月31日止六個月	2015 HK\$'m	2016 HK\$'m	% change 變動	Major reasons for change
<b>EBIT</b> 除利息及稅項前溢利	1,205	<b>1,010</b>	<b>-16%</b>	i) Continued growth of investment properties, toll road & Huadu project ii) ↓ Exchange loss from RMB depreciation (mainly GS' USD loan) <u>offset by</u> iii) ↓ Profit shared from sales of The Avenue (1HFY17 \$22m; 1HFY16 \$427m)
<b>EBIT (ex-profit shared from sales of The Avenue)</b> 除利息及稅項前溢利 (不計及滙滙銷售份額)	778	<b>988</b>	<b>+27%</b>	
<b>Core Profit (ex-fair value gain of completed inv't properties)</b> 核心溢利 (未計及已落成投資物業公平值收益)	938	<b>669</b>	<b>-29%</b>	
<b>Profit attributable to owners of the Company</b> 公司股東應佔溢利	1,559	<b>861</b>	<b>-45%</b>	i) ↓ Profit shared from sales of The Avenue ii) ↓ Fair value gain of completed investment properties

■ **Exchange loss\* will increase ~HK\$8m for every 1% RMB depreciation mainly based on GS' USD loan**

人民幣每貶值1%，匯兌虧損將增加約港幣800萬元，主要源自廣深高速的美元貸款

\* Attributable to owners of the Company

(HK\$ in million) (港幣百萬元)	Revenue 收入			EBIT <sup>N1</sup> 除利息及稅項前溢利		
	2015	2016	yoy	2015	2016	yoy
<b>For the six months ended 31-Dec 截至12月31日止六個月</b>						
<b>Investment properties and hospitality 投資物業和酒店及餐飲</b>						
Property letting, agency & management 物業租務、代理及管理	550	567		371	383	
Hotel, restaurant & catering 酒店、餐廳及餐飲營運	216	215		51	44	
sub-total 小計	766	782	+2%	422	427	+1%
<b>Property development 物業發展</b>	4,131	880	-79%	453	274	-40%
<b>Toll road investment 收費公路投資</b>	1,246	1,253	+1%	293	305	+4%
<b>Power plant 電廠</b>	414	434	+5%	62	34	-45%
<b>Treasury income 財資收入</b>	83	38	-54%	83	38	-54%
<b>Others 其他</b>	-	-		(108)	(68)	n/a
<b>Revenue / EBIT 收入 / 除利息及稅項前溢利</b>	6,640	3,387	-49%	1,205	1,010	-16%
				<b>Results 業績</b>		
				2015	2016	yoy
<b>Earnings before interest &amp; tax 除利息及稅項前溢利</b>				1,205	1,010	
<b>Finance costs 財務成本</b>				(34)	(5)	
<b>Fair value gain of completed investment properties 已落成投資物業公平值收益</b>				621	192	
<b>Profit before tax 除稅項前溢利</b>				1,792	1,197	
<b>Taxation 稅項</b>				(117)	(217)	
<b>Profit for the period 本期溢利</b>				1,675	980	
<b>Minority interests 少數股東應佔淨溢利</b>				(116)	(119)	
<b>Profit attributable to owners of the Company 公司股東應佔溢利</b>				1,559	861	-45%
<b>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)</b>				938	669	-29%

# Financial Highlights

## 財務摘要

For the six months ended 31-Dec 截至12月31日止六個月	2015	2016	% change 變動(%)
<b>EPS (HK\$)</b> 每股溢利 (港元)	<b>1.79</b>	<b>0.99</b>	<b>-45%</b>
<b>DPS (HK cents)</b> 每股股息 (港仙)	<b>Interim: 55</b> 中期	<b>Interim: 55</b> 中期	



# Results Highlights



## 業績摘要

### ■ Operating profit\* from prime-earning businesses ↑2% yoy to HK\$624m in 1HFY17

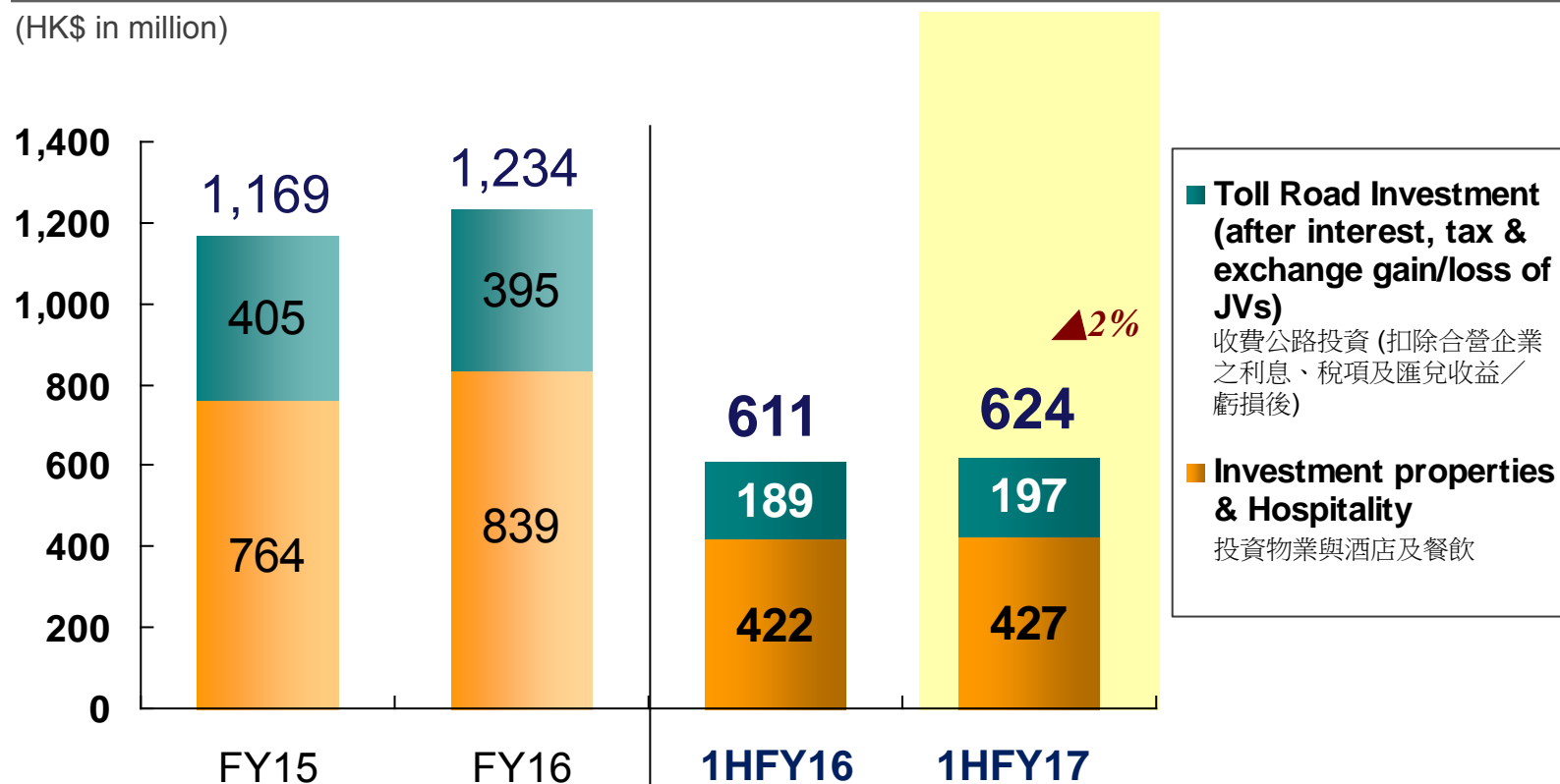
2017財年上半年重點收益業務的營運溢利按年上升2%至港幣6.24億元

#### ◆ 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)

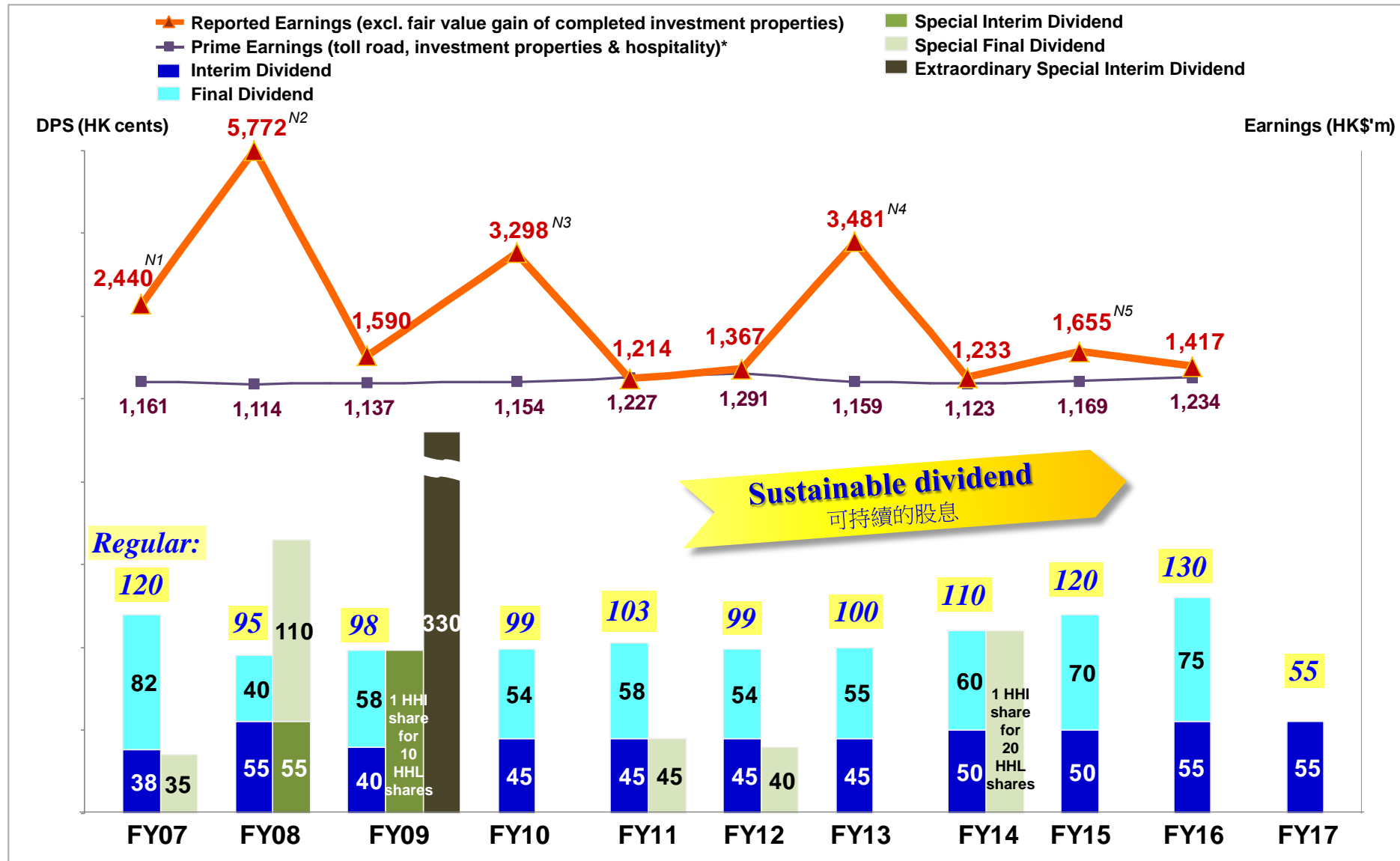


\* Being EBIT net of proportional share by non-controlling interests



# 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 Nova City property sales

N2: Including disposal gain of Nova City HK\$3,948m and Ring Road HK\$793m

N3: Including BW12 completion gain HK\$2,238m

N4: Including HCII land conversion gain HK\$2,249m

N5: 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\$1,211m as at 31 Dec 2016**

在2016年12月31日的淨現金為港幣12.11億元

<u>HHL Corporate Level</u> 合和實業公司層面	<u>30-Jun-16</u> HK\$'M	<u>31-Dec-16</u> HK\$'M	<u>Change</u> HK\$'M
<b>Cash</b> 現金	2,886	3,561	+675
<b>Available Banking Facilities</b> 可動用銀行貸款額	3,590	3,790	+200
<b>Cash + Available Banking Facilities</b> 現金+可動用銀行貸款額	6,476	<b>7,351</b>	+875
<b>Net Debt</b> 淨債務			
	<b>Net Cash</b> \$336m	<b>Net Cash</b> \$1,211m	
<b>Net Gearing Ratio<sup>#</sup> (%)</b> 淨資產負債比率			

# 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

- G/F upmarket fashion outlet well-received by market**  
 地下樓層的高級服裝特賣場廣受市場歡迎
- Fashion outlet's expansion: B1/F tenants vacated for renovation by 1QCY17. Target new tenants start operation summer 2018**  
 擴充服裝特賣場：將在2017年第1季前騰空B1樓層的租戶以進行裝修。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%



Introduced more popular brands:



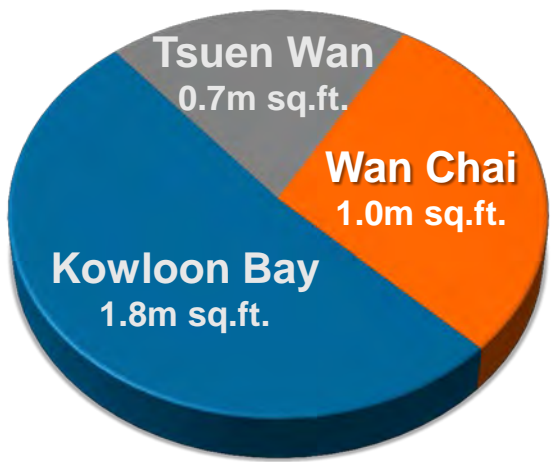
# Investment Properties under Development

## - Future Growth Driver

發展中的投資物業：未來的增長動力

### Existing

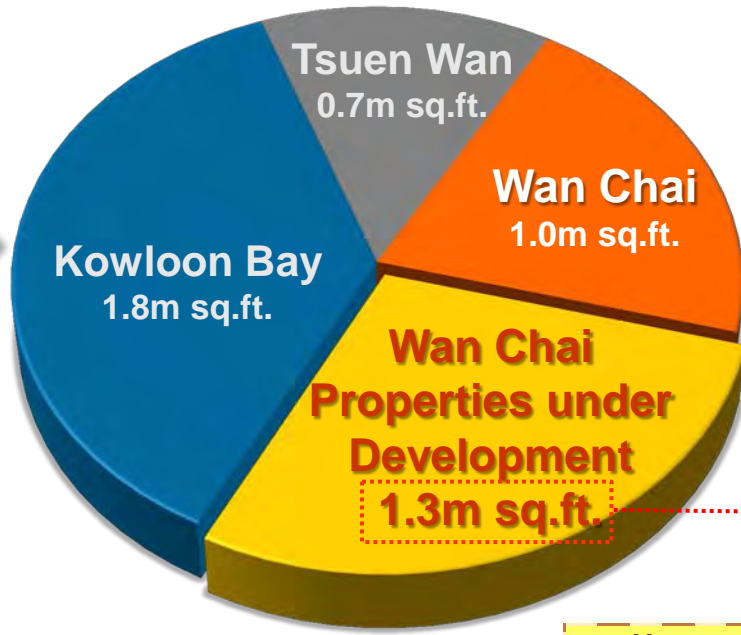
Total GFA: 3.5 million sq.ft.



+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	Completion <sup>^</sup>	GFA <sup>^</sup> (sq.ft.)
Hopewell Centre II	Conference Hotel	2019	1,100,000
153 - 167 QRE	Commercial	2021*	90,000
Hill Side Terrace Cluster	Residential	under planning	130,000

<sup>^</sup> Under current planning

\* Operation start

**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

## ■ Site formation works in progress, target completion by mid-2017

正進行土地平整工程，計劃在2017年中完工

- ◆ Average daily number of workers on site: ~100  
地盤日均工人約100人
- ◆ Excavated soil/rock: ~80,000m<sup>3</sup>  
已挖掘約80,000立方米的泥土／石塊

## ■ Podium structural framework will start afterwards

裙樓主體結構建築工程將於其後動工

## ■ Targets to complete in 2019

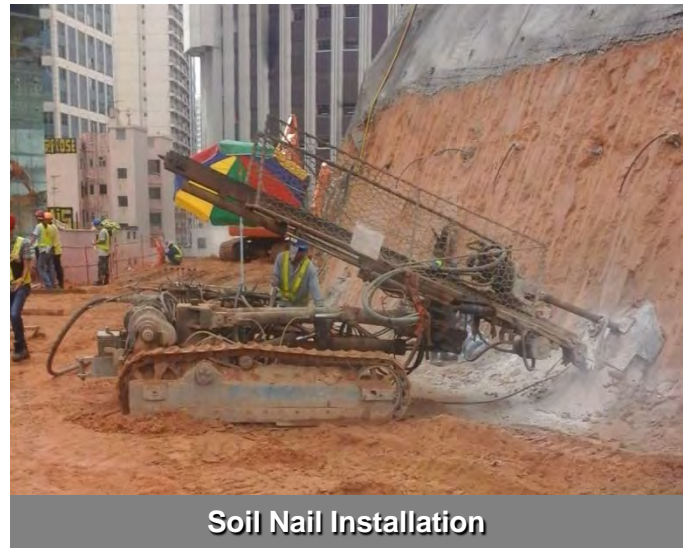
目標在2019年完工

Total GFA<sup>N1</sup>: 101,600 sq.m.  
 - Hotel: 70,500 sq.m.  
 - Retail: 27,700 sq.m.  
 - Office: 3,400 sq.m.

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

Up to 30 Jun 2016	FY17	FY18	FY19 & Beyond
around \$4,570 <sup>N2</sup>	\$550	\$2,530	\$1,350

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



Soil Nail Installation

HCII's developments available at <http://www.hopewellcentre2.com/eng/>

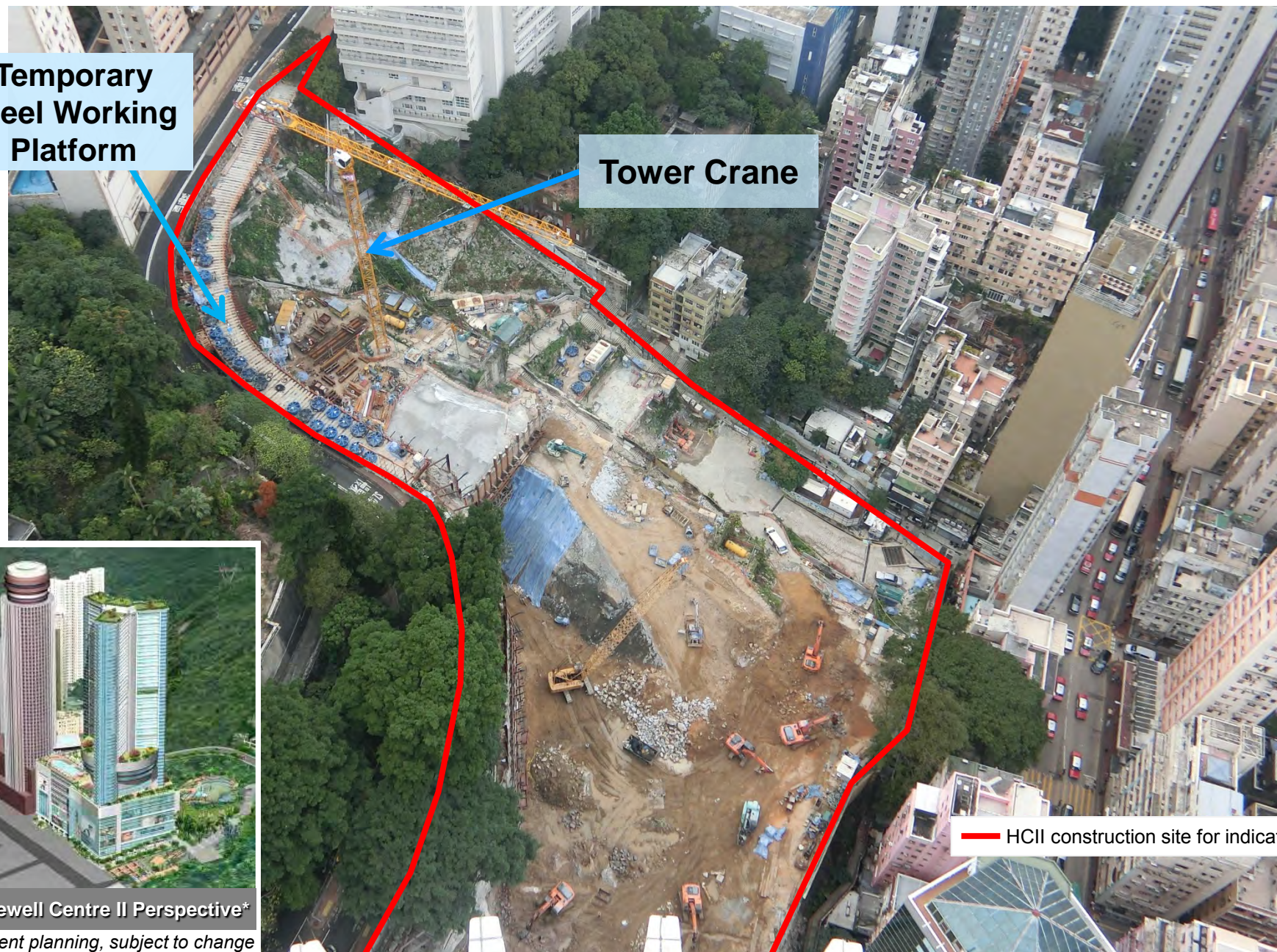
N1: Present planning, subject to change  
 N2: Include land premium HK\$3,726m



# 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



Hopewell Centre II Perspective\*

\* Present planning, subject to change



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

灣仔皇后大道東153-167號



## ■ Expand the 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

### ◆ By acquiring 2 lots adjacent to the existing site

透過收購現有項目隔鄰的兩個地段

## ■ Applied for compulsory sale (by auction) of these 2 lots in Jan 2017

於2017年1月申請強拍收購該兩個地段的餘下業權

## ■ This will increase the interface for HHL's property portfolio on QRE

此舉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 2021

預估在2021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

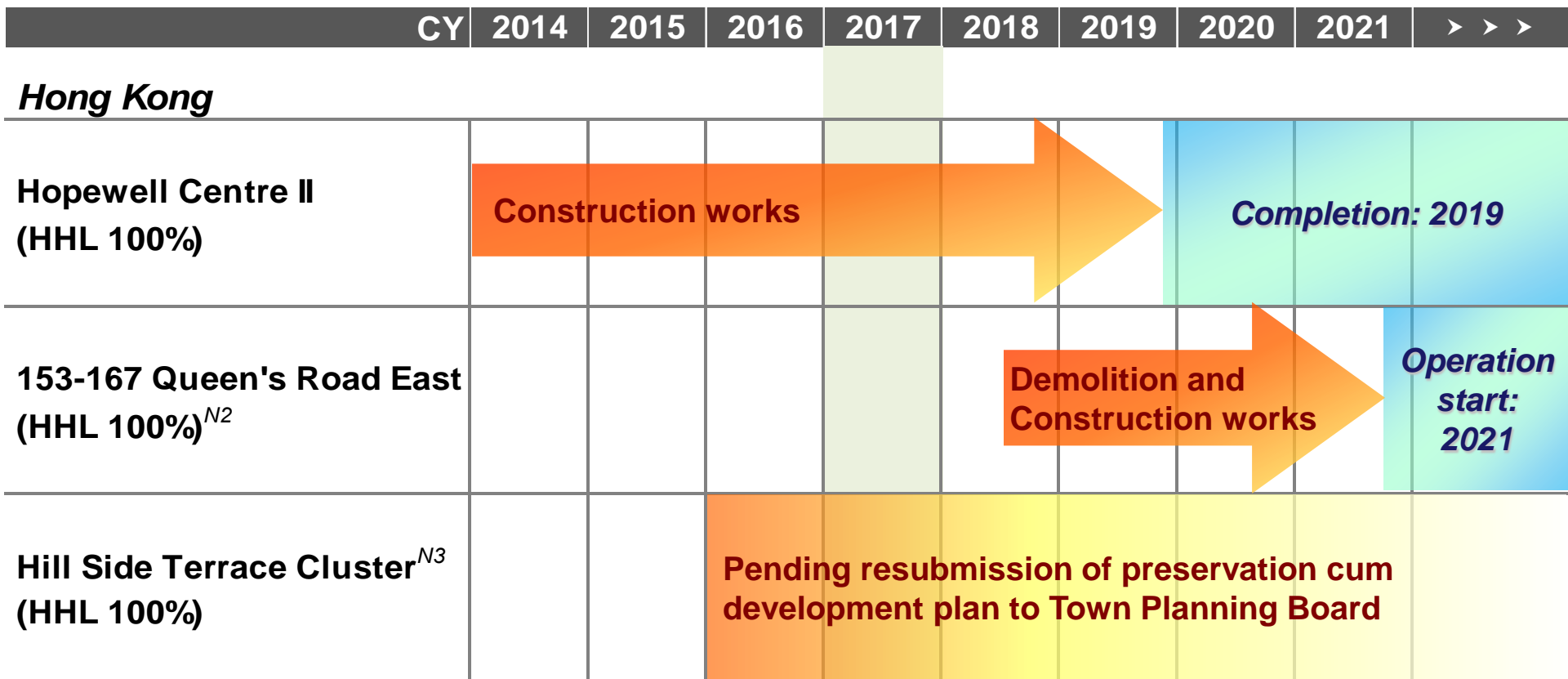
- **Book cost as at 31 Dec 2016: ~HK\$600m**

在2016年12月31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



N1: Present planning, subject to change

N2: HHL has 100% ownership of 155-167 QRE and has secured over 80% ownership of 153 & 153A QRE. Compulsory sale for redevelopment (by auction) of the latter was applied in Jan 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

# Property Portfolio in Wan Chai

灣仔的物業組合

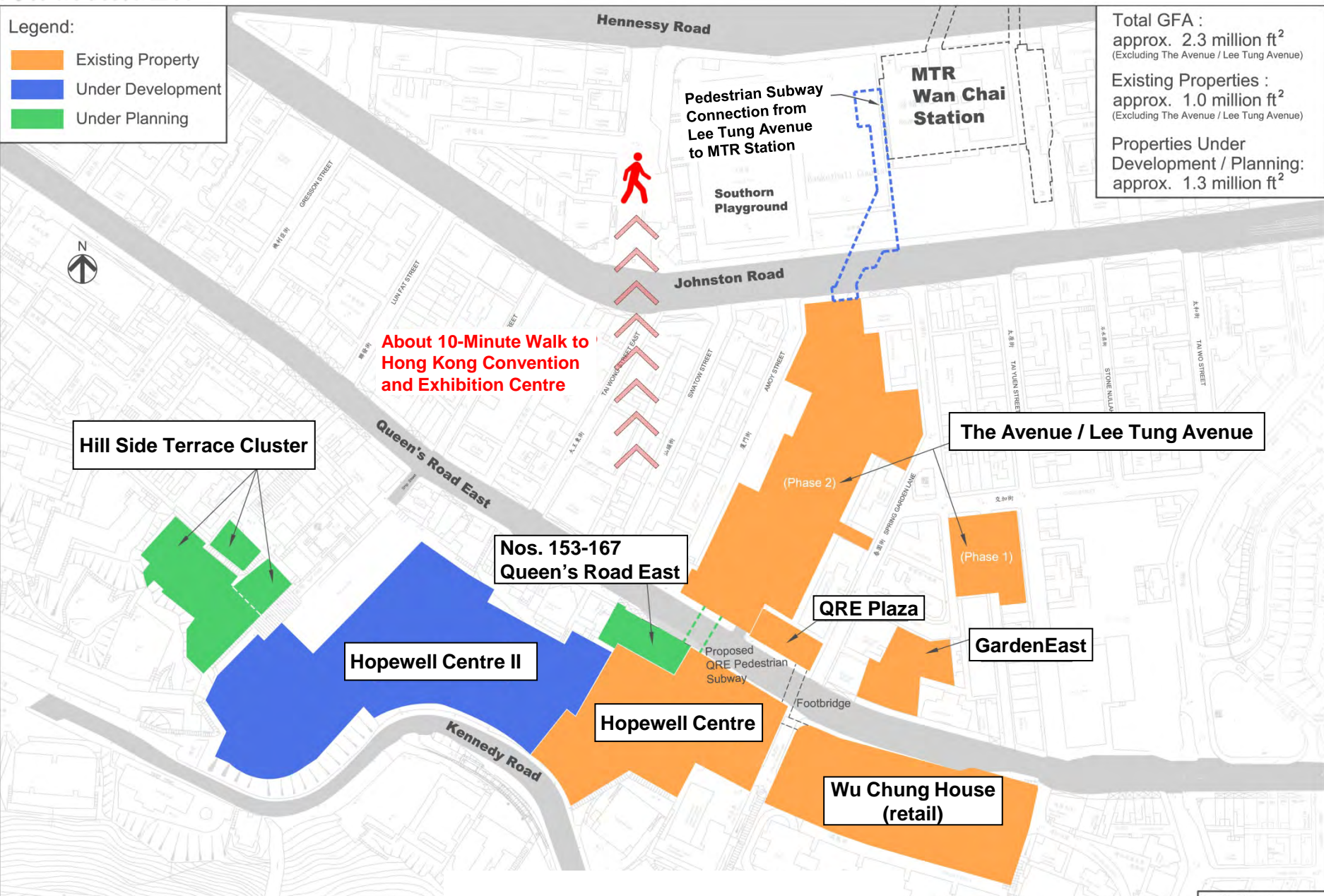
**Legend:**

- Existing Property
- Under Development
- Under Planning

Total GFA :  
 approx. 2.3 million ft<sup>2</sup>  
 (Excluding The Avenue / Lee Tung Avenue)

Existing Properties :  
 approx. 1.0 million ft<sup>2</sup>  
 (Excluding The Avenue / Lee Tung Avenue)

Properties Under  
 Development / Planning:  
 approx. 1.3 million ft<sup>2</sup>



Remarks: Boundary Line for Indicative only

# 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 ↑2% yoy to HK\$782m in 1HFY17

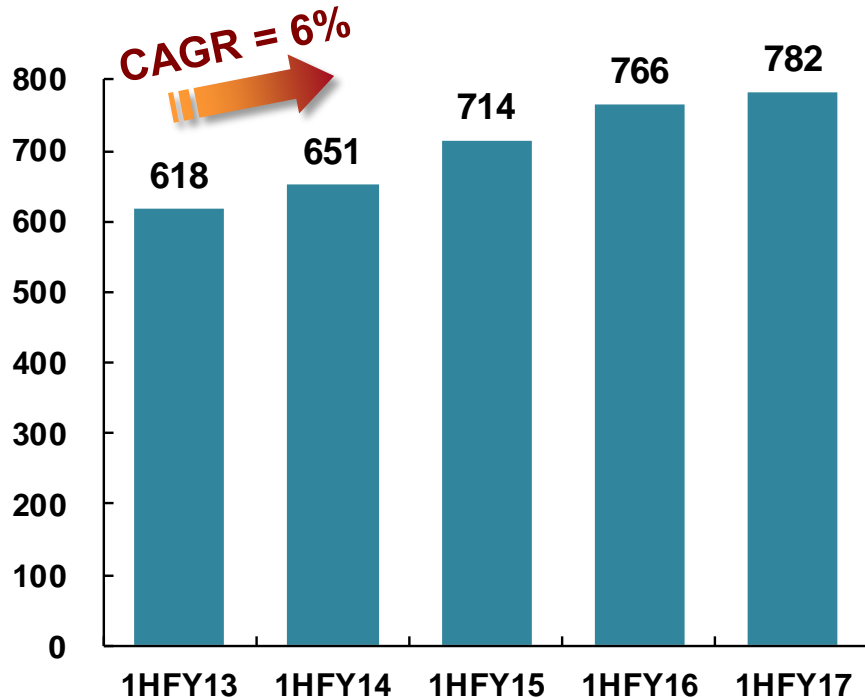
2017財年上半年的收入按年增長2%至港幣7.82億元

### ■ EBIT ↑1% yoy to HK\$427m in 1HFY17

2017財年上半年的除利息及稅項前溢利按年上升1%至港幣4.27億元

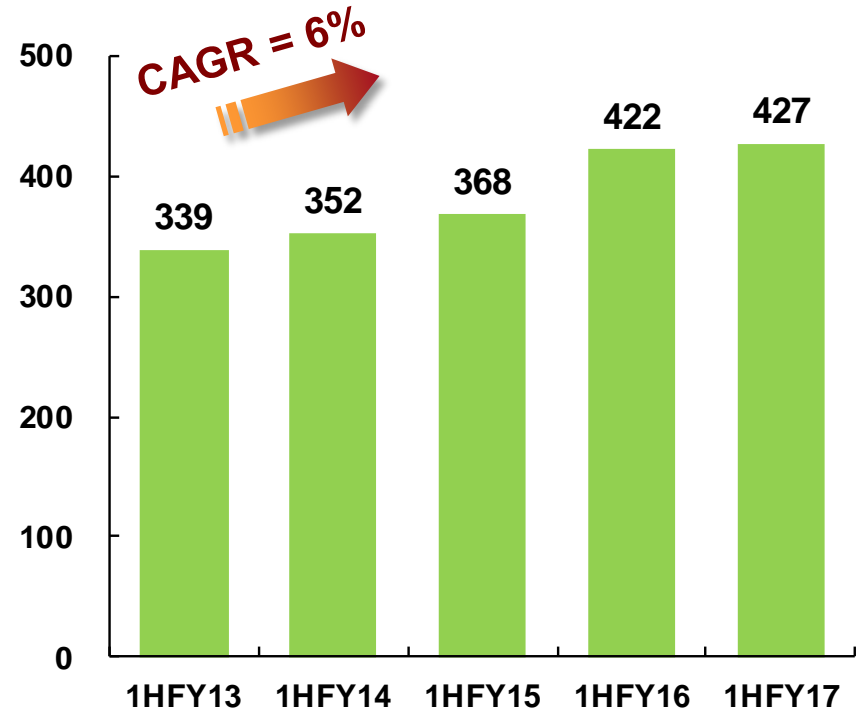
#### Revenue – Investment Properties & Hospitality

(HK\$ in million)



#### EBIT – Investment Properties & Hospitality

(HK\$ in million)



# Investment Properties' Performances



## 投資物業的表現

- **EBIT margin maintained at 67% in 1HFY17 (1HFY16: 67%)**  
2017財年上半年的除利息及稅項前溢利率維持在67% (2016財年上半年：67%)
- **Defensive office strategy given market uncertainty. Renew existing tenants with flexible lease term**  
在市況不明朗下採用防守性的寫字樓租務策略，配合靈活的租務條款與現有租戶續約
- **Expect FY17 office rental income ↓2% yoy due to tenant reshuffling at Hopewell Centre and KITEC**  
由於合和中心及九展重組租戶，預期2017財年的寫字樓租金收入按年下跌2%

	Average Occupancy Rate <sup>N1</sup>		Average Rental Rate yoy change
	1HFY16	1HFY17	
Hopewell Centre	94%	87% <sup>N2</sup>	+5%
KITEC Office	95%	95%	+1%
KITEC E-Max	88%	83% <sup>N3</sup>	+7%
Panda Place	97%	98%	-1%
QRE Plaza	100%	99%	-1%
Lee Tung Avenue (opened 1Q CY16)	-	96%	n/a
GardenEast (apartments)	87%	94%	-9%

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

N1: Occupancy rates =  $\frac{\text{Areas already leased \& occupied by tenants} + \text{Areas reserved for specified use}}{\text{Total lettable area}}$

N2: Occupancy rate was ~90% as of 31 Dec 2016 given a lease was signed with a FMCG Co. for 20,000 sq.ft. in Nov 2016

N3: Tenants in B1/F started moving out in 4QCY16 to prepare for renovation for E-Max's fashion outlet expansion

# Hopewell Centre, Wan Chai

灣仔合和中心

## Office 寫字樓

■ **Rental income ↓3% yoy to HK\$126m in 1HFY17**

2017財年上半年的租金收入按年下跌3%至港幣1.26億元

◆ **Due to tenant reshuffling**  
由於租戶重組

■ **Signed lease with a globalised FMCG Co. in Nov 2016 (~20,000 sq.ft.)**

在2016年11月與一環球快速消費品公司簽訂租約 (約20,000平方呎)

■ **Next phase of major rental uplift upon completion of Hopewell Centre II, with surroundings further upgraded**

當合和中心二期完工後，會帶動周邊進一步升級，將為合和中心帶來新一輪的租金提升

## Retail 零售商舖

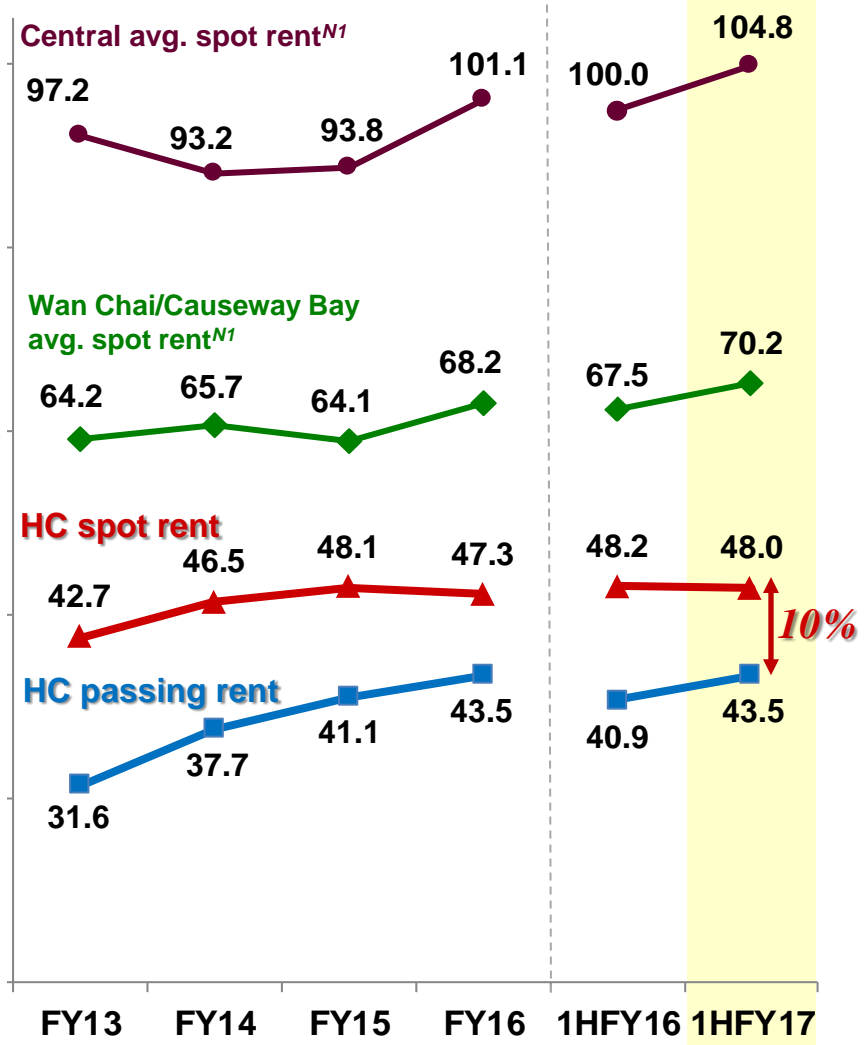
■ **1563' Live House opened in Aug 2016**

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 rents vs peers

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



N1: Figures from Rating & Valuation Dept, 1HFY17 figures up to Nov-16



# Hopewell Centre, Wan Chai - Office

灣仔合和中心: 寫字樓

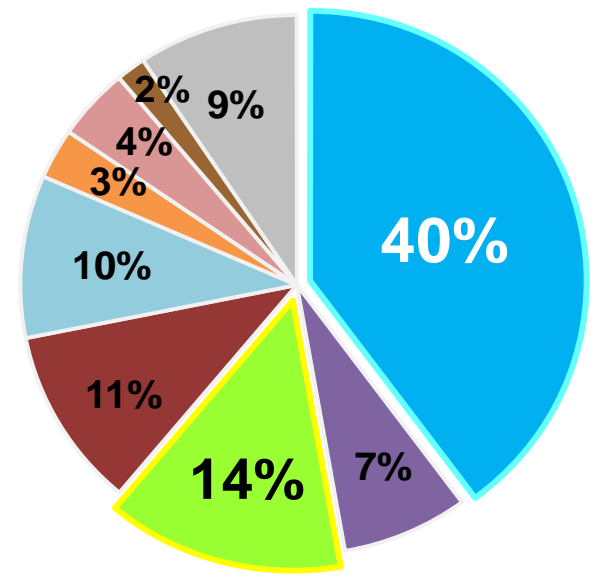
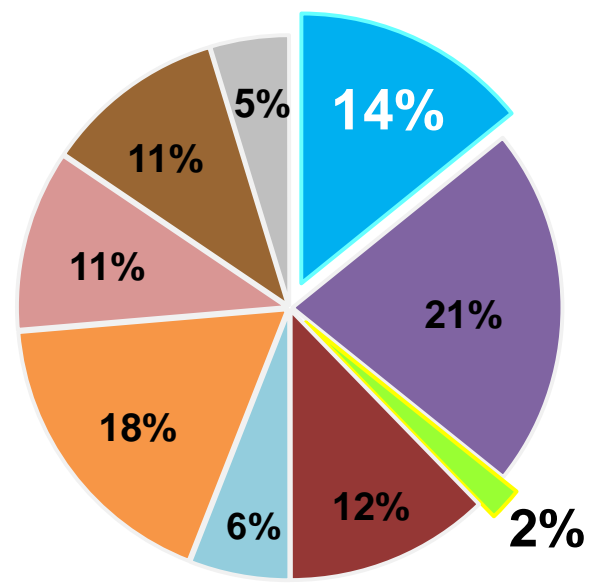
■ **Increasing tenants from high-margin industries with high-paid employees: benefits retail rental growth**

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 31 Dec 2006**

**GFA leased: as of 31 Dec 2016**



■ **Continuous enhancement of facilities and services**

不斷提升設施和服務



### Office 寫字樓

- Rental income flat at HK\$68m in 1HFY17 due to softened demand**

由於需求減弱，2017財年上半年的租金收入維持在港幣6,800萬元

- Plan further AEI (office corridor and toilets, gym room for tenants)**

計劃進一步改善設施 (寫字樓的走廊及洗手間、租客專用健身室)

- Government remains anchor tenant ~212,000 sq.ft. (28% total office GFA\*) after one of the Government tenants partly move out by 4QFY17**

當其中一個政府部門在2017財年第4季局部遷出後，政府部門仍為主要租戶，租用約212,000平方呎 (佔寫字樓總樓面面積28%)

- 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

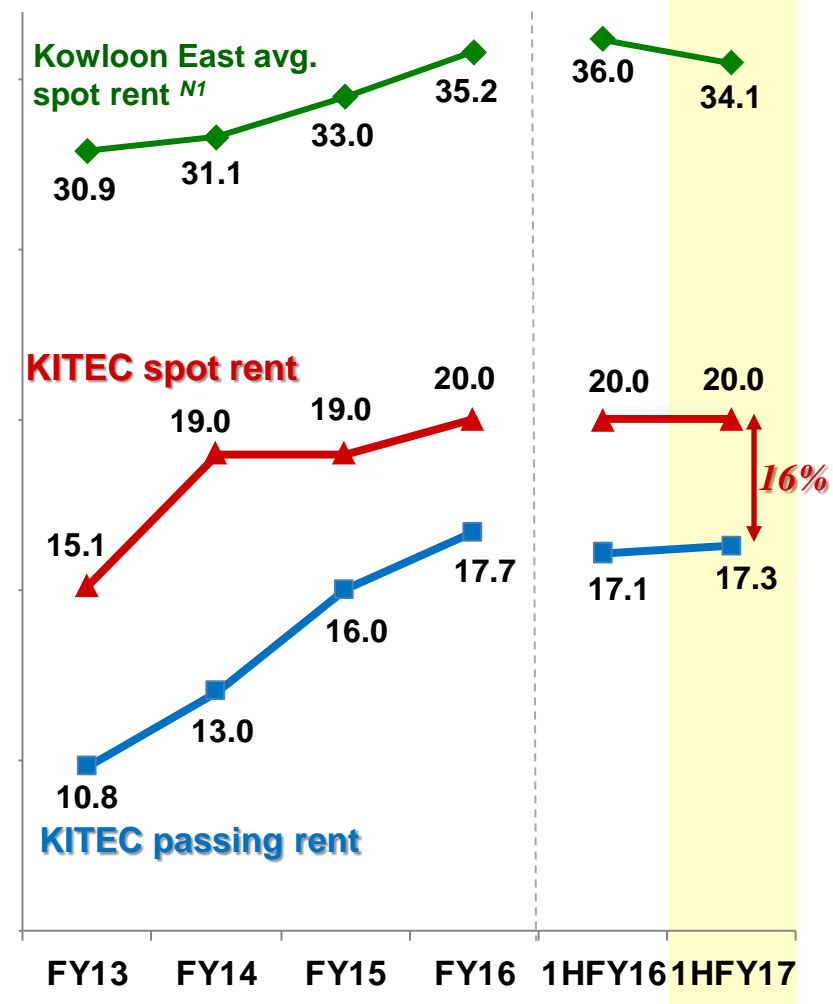
### C&E 會議及展覽

- The Glass Pavilion opened in Aug 2016 (for wedding banquets and corporate events)**

The Glass Pavilion 在2016年8月開幕 (可供舉辦婚禮宴會和企業活動)

### KITEC office spot rents vs peers

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



N1: Figures from Rating & Valuation Dept (Kowloon Bay/Kwun Tong).  
1HFY17 figures up to Nov-16

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

# 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 1Q CY16

2016年第一季開業

## ■ 1HFY17:

**Average occupancy rate: around 96%**

**Average rent: ~HK\$66/sq.ft.**

2017財年上半年的平均出租率約96%；平均租金為每平方呎約港幣66元

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



Progress	2014	2015	2016	2017	2018 & Beyond
Johnston Tunnel (Lee Tung Avenue → MTR)	2Q2014: Approved by Government and under construction. Plan to complete construction in 4Q2017				
Queen's Road East Tunnel (Lee Tung Avenue → Hopewell Centre)	Under planning				

# Panda Place, Tsuen Wan

荃灣悅來坊商場

GFA approx. 229,000ft<sup>2</sup>  
總樓面面積約229,000平方呎

- **Rental income was flat at HK\$31m in 1HFY17**

2017財年上半年的租金收入按年持平為港幣3,100萬元

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

由於已完成重組主要租戶，預期租金收入貢獻穩健



	1HFY17	yoy change	Reasons
<b>Total Revenue</b> 總收入	HK\$160m	-2%	↓ Tourist arrivals
<b>Room Revenue</b> 房間收入	HK\$105m	-1%	Occupancy rate ↓ 1% yoy to 97%; average room rate flat yoy
<b>F&amp;B Revenue</b> 餐飲業務收入	HK\$54m	-5%	↓ Banquets

### ■ 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

- ◆ **Flexible marketing strategy**  
靈活的市場策略
- ◆ **Continue to diversify customer mix**  
繼續多元化住客組合
- ◆ **Refurbishment of 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 31 Dec 2016)**

在2016年12月31日, 已售出全部1,275個單位

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

■ **1HFY17: Booked HK\$280m revenue (HHL's share after URA sharing) (24,000 sq.ft. or 25 units)**

扣除市建局份額後, 合和實業應佔銷售收入份額為港幣2.80億元 (24,000平方呎或25個單位), 已在2017財年上半年入賬



The Avenue (Phase 2)

# 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 Jan 2017,
  - ◆ Sold 63 out of 76 units, sales proceeds **\$2.9b<sup>N1</sup>**

於2017年1月11日, 76個單位中已售出63個單位, 帶來港幣29億元的收益

    - **4 units or ~5,100 sq.ft. (saleable area) were sold at ASP of HK\$33,600/sq.ft. in 1HFY17**

於2017財年上半年售出4個單位或約5,100平方呎 (實用面積計), 平均售價為每平方呎港幣33,600元

      - **Of which 2 units (~HK\$82m revenue) booked in 1HFY17**

當中2個單位的銷售收益約港幣8,200萬元在2017財年上半年入賬
      - **Average selling price of units sold: 已售出單位的平均售價**
        - **~HK\$34,100/sq.ft. (saleable area)** 每平方呎約港幣34,100元 (實用面積計)
  - **7 unsold units leased at average monthly rental rate of HK\$65/sq.ft. (saleable area) and available for sale**

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

N1: Includes carpark

■ **1HFY17 revenue ↑369% yoy to RMB474m**

2017財年上半年的收入按年上升369%至人民幣4.74億元

	FY16	FY17	FY18
<b>Sales target</b>		<b>85,000 sq.m. (98% achieved)<sup>N1</sup></b>	<b>not less than 43,000 sq.m.</b>
<b>Sales booking target</b>	<b>RMB256m (booked)</b>	<b>RMB600m (expected to achieve)<sup>N2</sup></b>	<b>~RMB500m<sup>N3</sup></b>

As of 11 Jan 2017,

- **Estimates RMB700m sales booking FY17<sup>N4, N5</sup>**
  - **Exceeds booking target for FY17**
- **ASP (apartments) RMB12,100/sq.m.<sup>N5</sup> (+14% vs 1HFY16)**

■ **MTR Route No. 9 (exit near the site) plans to start operation in 2017**

地鐵9號綫 (出口鄰近合和新城) 計劃在2017年開始營運

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

繼續探索不同方法控制建築成本和改善利潤

■ **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)

N1: Units sold in FY16, 1HFY17 and subsequently up to 11 Jan 2017  
 N2: Based on estimated handover progress  
 N3: Subject to construction progress

N4: Units sold but not yet booked in FY16  
 N5: Units sold in 1HFY17 and subsequently up to 11 Jan 2017



# Sound Financial Plan

穩健的財務計劃



Projects	Target Completion	Total Investment <sup>N1</sup> HK\$'M	Interest %	HHL's Injection FY17 to FY19 <sup>N1</sup> HK\$'M
<b><u>Hong Kong</u></b>				
Hopewell Centre II	2019	9,000 - 10,000	100%	4,320 (FY17: 550; FY18: 2,530; FY19: 1,240)
153-167 Queen's Road East	2021 <sup>N3</sup>	approx. 1,200	100% <sup>N2</sup>	300
<b>TOTAL</b>				<b>4,620</b>

N1: Present planning, subject to change

N2: HHL has 100% ownership of 155-167 QRE and has secured over 80% ownership of 153 & 153A QRE. Compulsory sale for redevelopment (by auction) of the latter was applied in Jan 2017 to achieve the 100% ownership

N3: Targeted operation start

## ■ 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 Hopewell New Town and Broadwood Twelve**  
合和新城和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 2016 (HK\$ in million)	HHI Business	HHL - Other Businesses	HHL Group Total
Completed investment properties	-	29,814	29,814
Panda Hotel	-	334	334
Properties under development			
Hopewell Centre II			
- Commercial portion	-	4,593	4,593
- Hotel portion	-	2,462	2,462
155-167 Queen's Road East **	-	773	773
Properties for development	-	1,022	1,022
Interests in JVs (Toll Roads, Power Plant & The Avenue/Lee Tung Avenue)	5,800	1,759	7,559
Other assets/liabilities	503	1,612	2,115
Non-controlling interests	(2,082)	(167)	(2,249)
Shareholders' equity	4,221	42,202	46,423
			(HK\$53.4/share)*

As at 31 Dec 2016 (HK\$)	Panda Hotel	HC II hotel portion	HHI Business
Market value	\$2,946m \$3.2m/room  DTZ valuation report	\$4,043m \$3.9m/room under development  DTZ valuation report	\$8,364m   2,055m shares (HHL's 66.7% stake) x HHI's market price @HK\$4.07 as of 31.12.2016
Book value	\$334m \$0.4m/room  at cost less depreciation	\$2,462m \$2.4m/room under development  at cost	\$4,221m   at cost less depreciation
Hidden value	\$2,612m \$3.0/share*	\$1,581m \$1.8/share*	\$4,143m \$4.8/share*



**Total: \$8,336m**

**\$9.6 /share\***



**8,336**

**(HK\$9.6/share)\***

**Total hidden value**

**Adjusted shareholders' equity (unaudited)**

**54,759**

**(HK\$63.0/share)\***

\* No. of HHL shares in issue: 869.8 million (as of 31 Dec 2016)

\*\* 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 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	2015	2016	2015	2016
<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	6,640	3,387	1,205	1,010
<b>Less: 減:</b>				
<b>Sales proceeds of Broadwood Twelve properties</b> 樂天峯的銷售收益	-	(85)	-	-
<b>Treasury income</b> 庫務收入	(83)	(38)	-	-
<b>Shares of revenue of JVs engaged in</b> 應佔合營企業之收入				
- <b>Toll road</b> 收費公路	(1,246)	(1,253)	-	-
- <b>Power plant</b> 電廠	(414)	(434)	-	-
- <b>Property development and property investment</b> 物業發展及投資物業	(4,014)	(295)	-	-
<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	-	-	621	192
<b>Finance costs</b> 財務成本	-	-	(34)	(5)
<b>Turnover/Profit before taxation per Consolidated Statement of Comprehensive Income</b> 按照綜合全面收益表的營業額/除稅前溢利	883	1,282	1,792	1,197

# Investment Properties and Hospitality Revenue

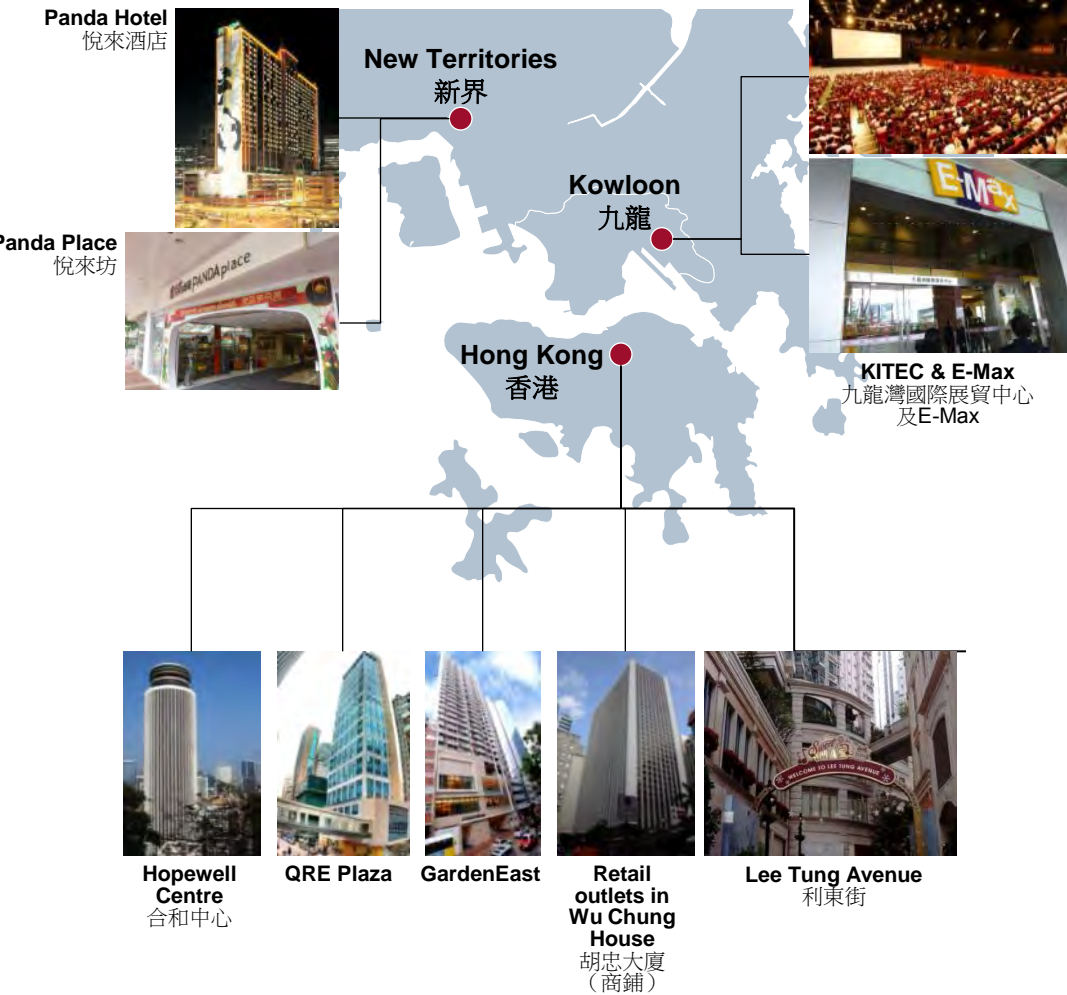
投資物業和酒店及餐飲的收入

(HK\$ in million) For the six months ended 31-Dec	Revenue*		yoy change
	2015	2016	
<b>Investment Properties</b>			
Rental income - office	198	195	-2%
Rental income - retail	157	167	+6%
Rental income - residential	39	40	+3%
Convention and exhibition	34	39	+15%
Air conditioning & management fee	76	79	+4%
Carpark & others	46	47	+2%
<b>Investment Properties sub-total</b>	<b>550</b>	<b>567</b>	<b>+3%</b>
<b>Hospitality</b>			
Room Revenue	106	105	-1%
Restaurants, catering operations and others	110	110	+0%
<b>Hospitality sub-total</b>	<b>216</b>	<b>215</b>	<b>-0%</b>
<b>Total</b>	<b>766</b>	<b>782</b>	<b>+2%</b>

\* Excluding tenancies for HHL's own use

# Investment Properties

## 投資物業



**Approx. GFA**  
(sq.ft.)  
概約樓面面積 (平方呎)

**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.)** **26,000**  
利東街 (合和實業應佔)

**Wu Chung House retail** **17,670**  
胡忠大廈商舖

**Panda Place** **229,000**  
悅來坊

**Panda Hotel (911 rooms)** **440,000**  
悅來酒店 (911 間客房)

**Total GFA** **3.5M sq.ft.**  
總樓面面積



# Hopewell Centre Office, Wan Chai

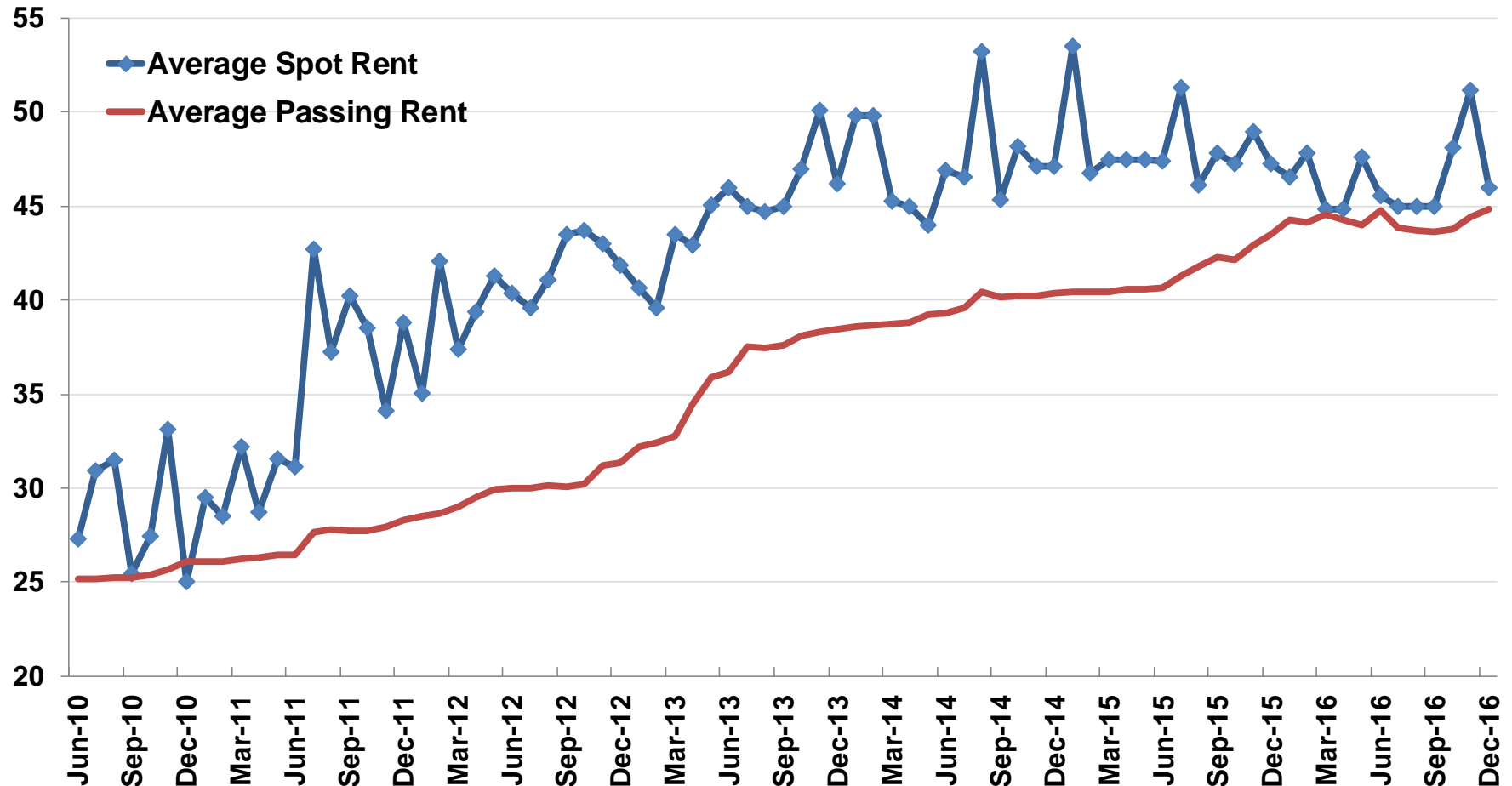
## – Average Spot and Average Passing Rent



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 – 1HFY17)

(HK\$/sq.ft.)



# KITEC Office, Kowloon Bay

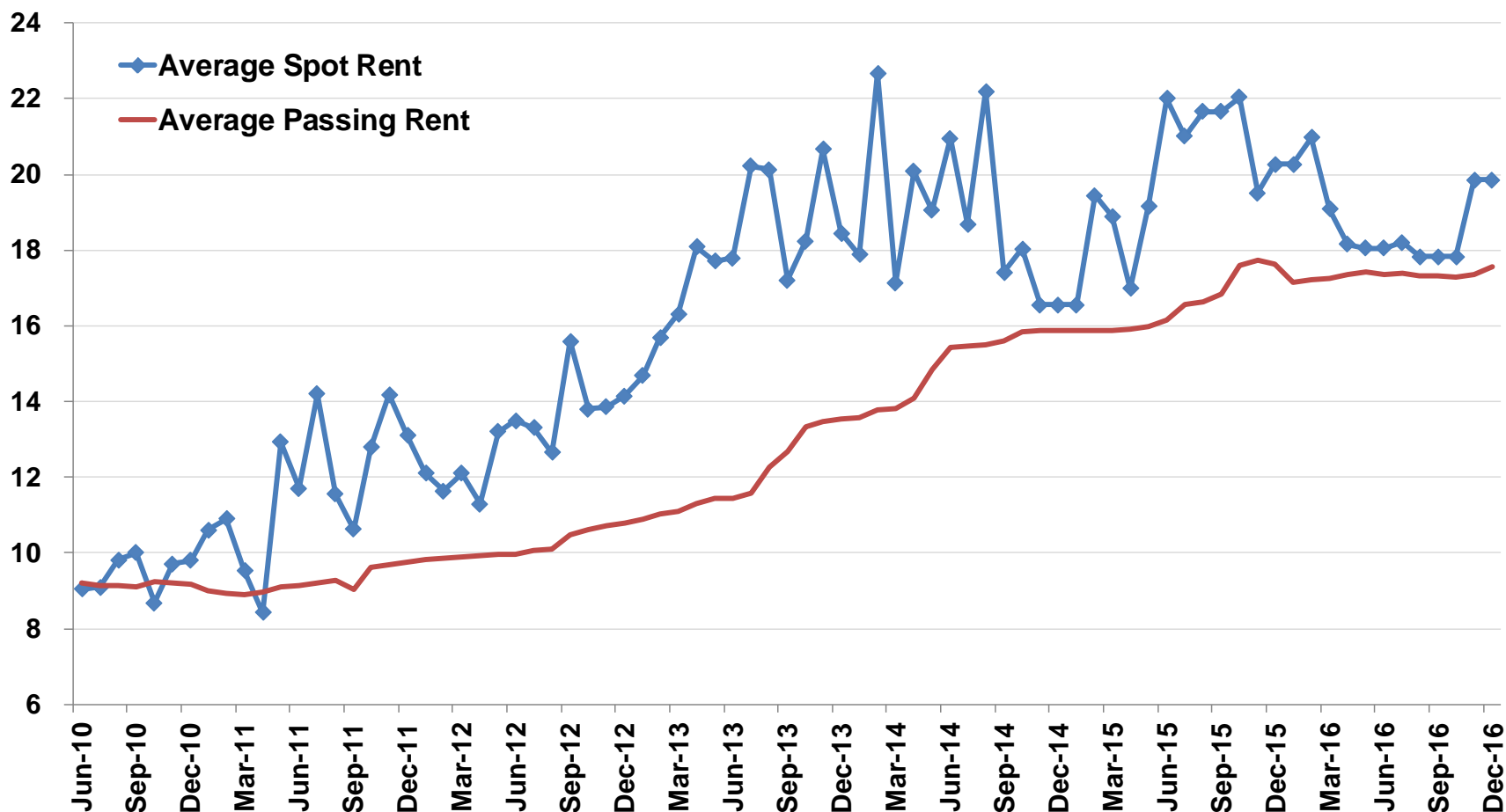


## – Average Spot and Average Passing Rent

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 (FY11 – 1HFY17)

(HK\$/sq.ft.)



# Kowloon East Developments Benefits KITEC and 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 to Central link at Kai Tak Station**  
未來的沙中線將連接啟德站



### ■ Refining tenant mix has helped lift rental income

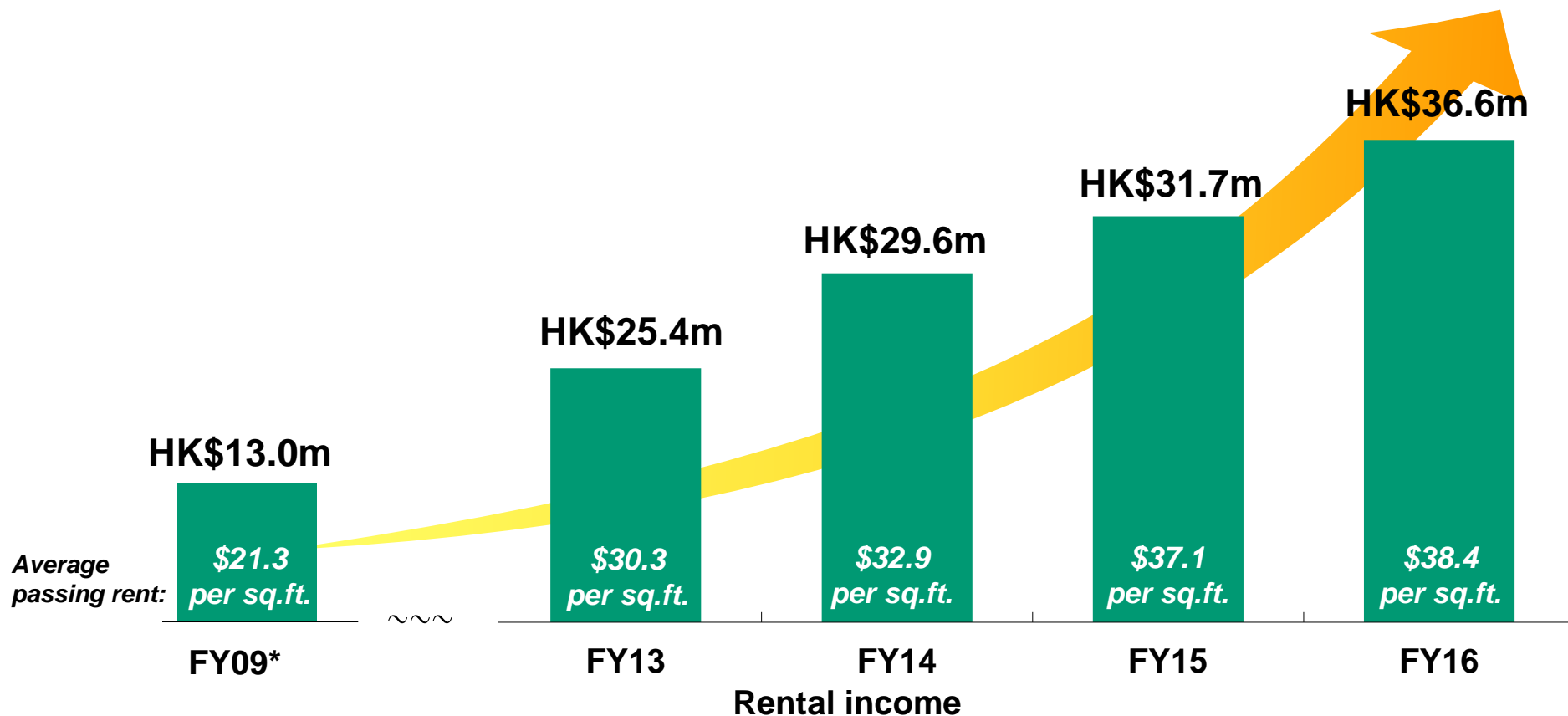
優化租戶組合有助提升租金收入

#### ◆ Rental income maintained at HK\$19m in 1HFY17

2017財年上半年的租金收入維持在港幣1,900萬元

#### 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 Organic Beauty</li> </ul>	<ul style="list-style-type: none"> <li>F&amp;B:                     <ul style="list-style-type: none"> <li>- Mahalo Tiki Lounge</li> <li>- My House</li> <li>- Momojein</li> <li>- Espuma</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- TESLA car showroom</li> </ul> 
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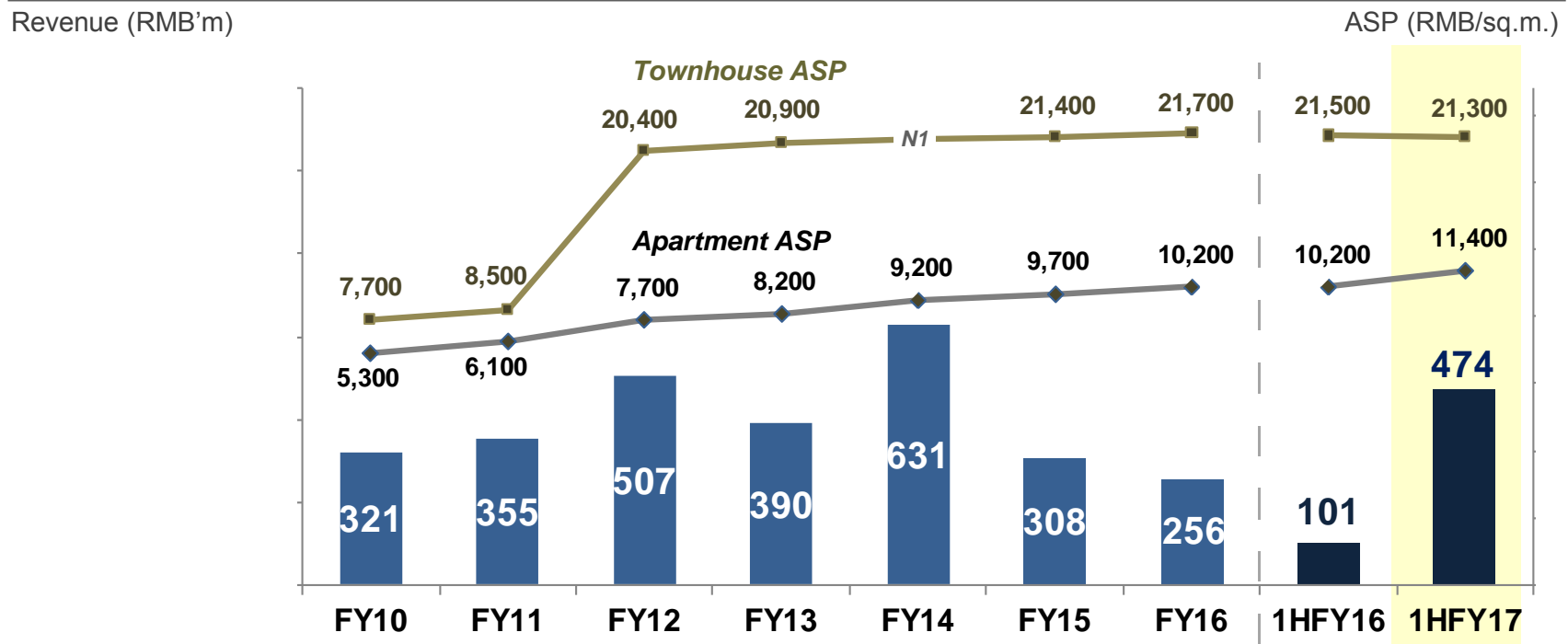
\* QRE Plaza opened in Nov 2007

# 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	9,300	37,500
Townhouse	13,000	1,000	13,800	1,700	-	900	900	300	2,000

#### Units booked

Apartment	366	574	306	333	695	252	195	74	325
Townhouse	43	4	48	6	-	3	3	1	7

N1: No sales of townhouse booked in FY14

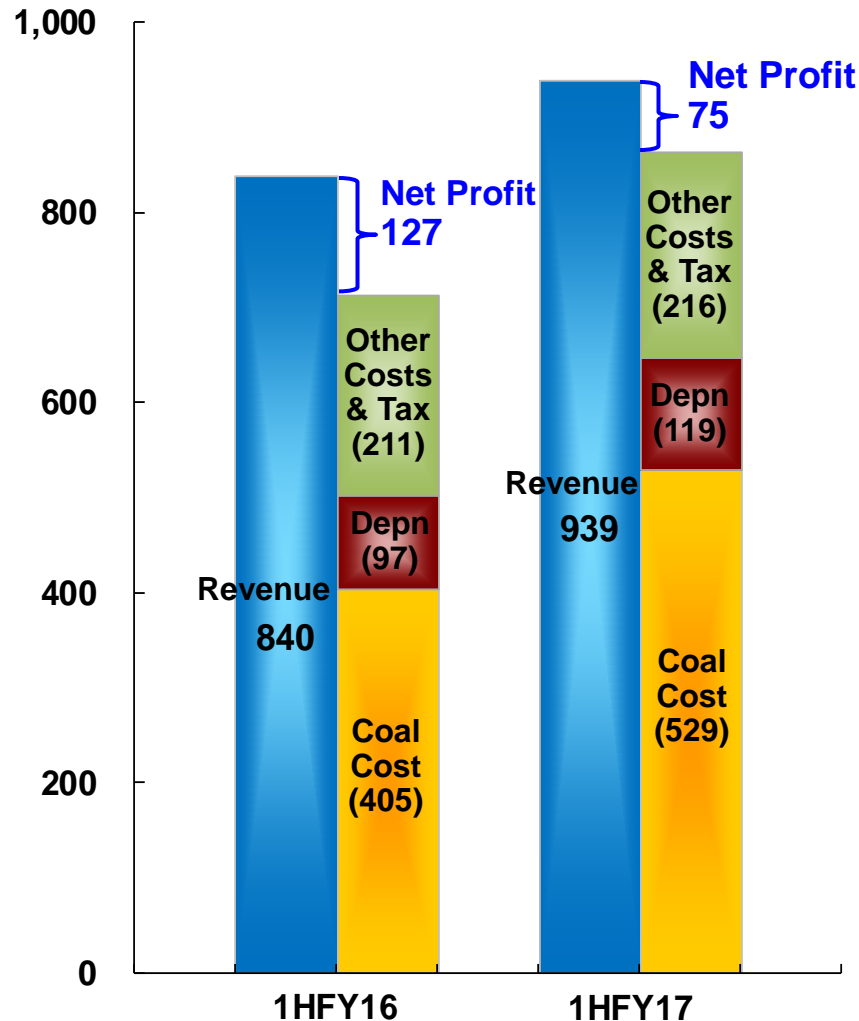
# Heyuan Power Plant, Guangdong

廣東省河源電廠



## P&L Highlight - JV Level 100%

(RMB in million)



## Updates 最新概況

- **Net profit ↓41% yoy due to ↓tariff rate and ↑cost of coal**  
淨溢利按年下跌41%，由於電價下跌和煤炭成本上升
- **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貢獻



# Heyuan Power Plant, Guangdong

廣東省河源電廠



## Key Operating Statistics 主要營運數據

	1HFY16	1HFY17
<b>Gross generation</b> 總發電量	<b>2,200 GWh</b> 22億千瓦時	<b>2,600GWh</b> 26億千瓦時
<b>Utilisation rate<sup>N1</sup></b> 使用率 <b>(Utilisation hours)</b> (使用小時)	<b>42%</b> <b>(1,852 hours)</b>	<b>50%</b> <b>(2,185 hours)</b>
<b>Availability factor<sup>N2</sup></b> 可利用率	<b>68%</b>	<b>72%</b>
<b>Average on-grid tariff</b> <b>(with desulphurization, denitrification and dust</b> <b>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>RMB403.3/MWh</b>	<b>RMB379.9/MWh</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>RMB486/ton</b>	<b>RMB542/ton</b>

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

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



# 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>
1HFY17 Total	<b>nil</b>	<b>-</b>	<b>-</b>	<b>-</b>

~ END ~