



恒基兆業地產有限公司
HENDERSON LAND DEVELOPMENT COMPANY LIMITED

Stock Code: 12

FY2019 Annual Results March 2020

"Eden Manor", Kwu Tung, HK



Kai Tak NKIL No. 6565 Phase 1, HK



"H Zentre", Tsim Sha Tsui, HK



"Lumina Guangzhou", Haizhu Square Station



"Hengxu Hui", Huaihai Middle Road, Shanghai

"Lumina Shanghai", Xuhui Riverside

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FY2019 Annual Results Highlights



Audited	FY2019 HK\$ mn	FY2018 HK\$ mn	Change
Property Development (Attributable Pre-tax Underlying Profit) [☆]	5,889[#]	6,830 [#]	-14%
Gain from Sales of Property Interests (Attributable Pre-tax Underlying Profit) ^ψ	1,688[§]	6,334	-73%
Property Leasing (Attributable Pre-tax Net Rental Income) [☆]	7,065	7,025	+1%
HKCG[^] - Share of Net Profit(after tax) (utility and energy business only)	2,912	3,095	-6%
Profit attributable to Shareholders			
Underlying profit (excluding fair value change of investment properties ^Δ)	14,640	19,765	-26%
Reported profit	16,994	31,157	-45%
Earnings per share[✧] (HK\$) (adjusted for the effect of bonus issue in 2019)			
Based on underlying profit	3.02	4.08	-26%
Based on reported profit	3.51	6.44	-45%
Dividend per share (HK\$)			
Interim dividend	0.50	0.50	Flat
Final dividend	1.30	1.30	

Note: In FY2018, there was an allotment of bonus shares at the ratio of 1 bonus share for every ten shares.

[☆]All the figures represent the Group's attributable share of contributions (before taxation) from its subsidiaries, associates and joint ventures in Hong Kong and Mainland China.

[#] If the fair value change of the related properties is included, the attributable pre-tax reported profit contribution from property sales for FY2019 should be HK\$5,888mn (FY2018: HK\$6,709mn)

[^] HKCG refers to HLD's listed associate, The Hong Kong and China Gas Company Limited, in which HLD owns 41.53% equity interest.

[§] Including the pre-tax underlying profit contribution of HK\$1,305mn on transfer of interest in a joint venture which together with its wholly-owned subsidiaries collectively own No. 8 Observatory Road, an investment property

^ψ Sales of Property Interests include gains on transfer of joint ventures and subsidiaries which own investment properties, gains on disposal of investment properties and cumulative fair value gains relating to the investment properties disposed of during the year

^Δ The attributable share of the aggregate fair value change during the year (net of deferred taxation) of investment properties held by subsidiaries, associates and joint ventures is excluded in calculation of Underlying Profit. In order to fully exclude the impact of changes in fair value from the underlying profit, the cumulative fair value changes(net of tax) of investment properties disposed of during the year were added back in the calculation of the underlying profits.

[✧] Earnings per share were calculated based on the weighted average number of shares as adjusted for the effect of the bonus issue in 2019 under HKAS 33, "Earnings Per Share".

FY2019 Annual Results Highlights (cont'd)



	Audited 31 Dec 2019	Audited 31 Dec 2018	Change
HK\$ mn			
Shareholders' equity	320,851	313,153	+2%
Cash and bank balances	10,734	16,507	-35%
Net debt	81,655	70,123	+16%
HK\$			
Net asset value per share [^]	66.28	64.69	+2%
Net debt to Shareholders' equity	25.5%	22.4%	+3.1 percentage points

[^] The net asset value per share at 31 December 2019 was calculated based on the number of issued shares outstanding at 31 December 2019, whilst the net asset value per share at 31 December 2018 was calculated based on the number of issued shares outstanding at 31 December 2018 and as adjusted for the bonus issue effected in 2019.

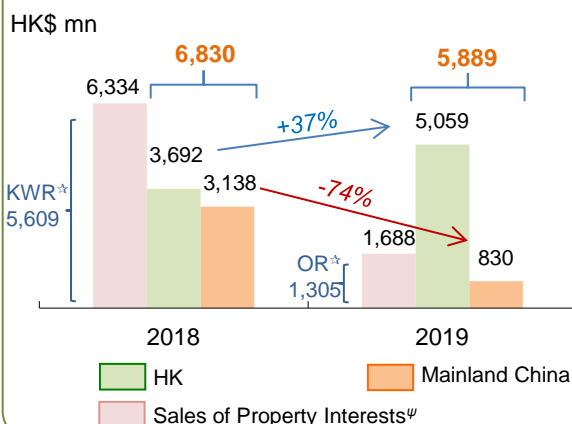
FY2019 Annual Results Highlights (cont'd)



Property Development* & Sales of Property Interests^ψ

Property Development Revenue:
HK\$17,088 mn + 5% y-o-y

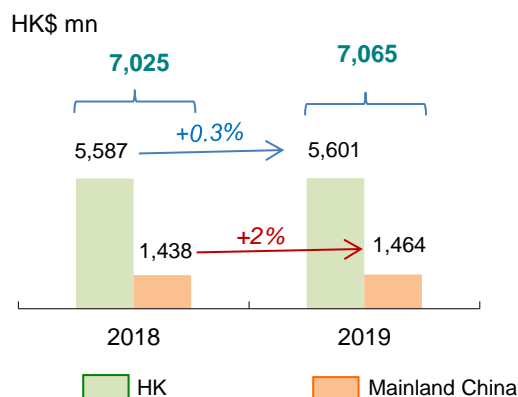
Pre-tax Underlying Profit*
(from Property Development & Sales of Property Interest)



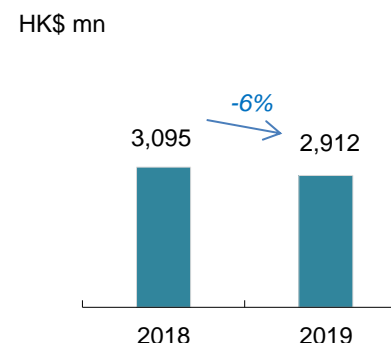
Property Leasing*

Gross Rental Income:
HK\$ 9,163 mn + 2% y-o-y

Pre-tax Net Rental Income*



Share of Net Profit(after tax):
(utility & energy business only)



- ✓ Properties sold and pre-sold (attri. to HLD) in 2019: **HK\$23,865 mn** (2018: HK\$31,352 mn)
 - HK: HK\$15,579 mn (2018: HK\$25,949 mn) inclusive of Sales of Development Properties & Sales of Property Interests
 - Mainland China: HK\$8,286 mn (2018: HK\$5,403 mn) ↑ 53% in respect of Sales of Development Properties
- ✓ **Abundant** Cumulative proceeds from property sales (attri. to HLD but not yet accounted for): **HK\$28,551 mn** (+15% y-o-y) as of 31 Dec 2019
 - HK: HK\$17,551 mn (incl. Wo Shang Wai Transaction[#])
 - Mainland China: HK\$11,000 mn
- ✓ Dividend declared by HKCG^ for 2019 attributable to HLD: **HK\$2,460 mn** (↑ 10% y-o-y)

* All the figures represent the Group's attributable share of contributions (before taxation) from its subsidiaries, associates and joint ventures in Hong Kong and Mainland China.

Represents the aggregate consideration of HK\$4,705 mn (subject to adjustment) from the disposal of equity interest in the company holding interests in certain land lots in Wo Shang Wai, N.T.

* Represents the underlying profit contribution from the disposal of 50% equity interest in the company holding the commercial property at 8 Observatory Road, Tsim Sha Tsui in FY2019 and disposal of equity interest in the company holding the officer tower at King Wah Road, North Point in FY2018

^ HKCG refers to HLD's listed associate, The Hong Kong and China Gas Company Limited, in which HLD owns 41.53% equity interest.

ψ Sales of Property Interest includes gains on transfer of joint ventures and subsidiaries which own investment properties, gains on disposal of investment properties and cumulative fair value gains relating to the investment properties disposed of during the year, covering both HK and Mainland China

“Sales of Property Interests^Δ” Transaction Highlights



Hong Kong

Golden Centre, Sheung Wan (Transaction Completion in Dec 2016)

- Consideration (as adjusted): HK\$4,348 mn
- Realized Gain: HK\$3,832 mn attri. to underlying profit booked in FY2016

Newton Inn, North Point (Completed in Jul 2017)

- Consideration (as adjusted): HK\$1,000 mn
- Realized Gain: HK\$697 mn attri. to underlying profit booked in FY2017

Newton Place Hotel, Kwun Tong (Completed in Sep 2017)

- Consideration (as adjusted): HK\$2,244 mn
- Realized Gain: HK\$1,491 mn attri. to underlying profit booked in FY2017

Tuen Mun Town Lot No. 500 (Completed in Jan 2018)

- Consideration (as adjusted): HK\$6,611 mn
- Realized Gain: HK\$2,780 mn attri. to underlying profit booked in 1H 2018

18 King Wah Road, North Point (Completed in Feb 2018)

- Consideration (as adjusted): HK\$9,943 mn
- Realized Gain: HK\$5,609 mn attri. to underlying profit booked in 1H 2018

No. 8 Observatory Road*, Tsim Sha Tsui (Completed in Mar 2019)

- Consideration (as adjusted): HK\$4,066 mn on 100% basis
- Realized Gain: HK\$1,305 mn attri. to underlying profit booked in 1H 2019

Wo Shang Wai Land Lots, Yuen Long (Scheduled for completion in 2020)

- Consideration: HK\$4,705 mn (subject to adjustments and completion audit)



Mainland China

Beijing Henderson Centre (Transaction Completed in Feb 2017)

- Consideration: HK\$3,261 mn
- Realized Gain: HK\$1,014 mn (after tax) attri. to underlying profit booked in FY2017

Land Site in Fangcun, Guangzhou (Completed in Mar 2017)

- Consideration: HK\$2,017 mn
- Realized Gain: HK\$1,045 mn (after tax) attri. to underlying profit booked in FY2017

Nine Property Development Projects Located in Anshan, Dalian, Guangzhou, Tieling & Shenyang (Completed in Jul 2017)

- Consideration: HK\$8,544 mn, subject to adjustments
- Realized Gain: HK\$275 mn (after tax) attri. to underlying profit booked in FY2017

^ΔExcept for the transaction in relation to Wo Shang Wai Land Lots, Tuen Mun Town Lot No.500, Guangzhou Fangcun and the Nine Property Development Projects (which are sales of development projects), Gain from Sales of Property Interests was generated from the disposal of investment property interests in Hong Kong and Mainland China. Sales of Property Interests relating to investment properties includes gains on transfer of joint ventures and subsidiaries which own investment properties, gains on disposal of investment properties and cumulative fair value gains (net of tax) relating to the investment properties disposed of during the year, covering both HK and Mainland China

*HLD has 50% interest in the investment property at No. 8 Observatory Road

Transaction completed in FY2016

Transactions completed in FY2017


Transactions completed in FY2018

Transaction completed in FY2019

Transaction scheduled for completed in FY2020

Property Development Business



- Unsold stock from residential and commercial-cum-residential projects provides substantial future saleable resources
- 8 Residential Projects were completed in FY2019 with total attributable GFA of 1,341,396 sq. ft. (FY2018: 140,981 sq. ft.  8.5 times)

Residential Developments offered for sale in Hong Kong	Usage*	HLD's interest	Total no. of units	Initial launch	No. of Project units pre-sold & sold					Project Inventories at 31/12/19	Anticipated Completion
					2015	2016	2017	2018	2019		
The Addition, Cheung Sha Wan	C/R	100%	200	Apr 19	n.a.	n.a.	n.a	n.a	163	37	1H 21
The Vantage, Hung Hom	C/R	100%	551	Mar 19	n.a.	n.a.	n.a	n.a	534	17	1H 21
Reach Summit, Yuen Long	R	79.03%	504	Oct 18	n.a.	n.a.	n.a	129	354	21	1H 20
Cetus • Square Mile, Mong Kok	C/R	100%	514	Jun 18	n.a.	n.a.	n.a	416	4	94	Completed prior to 31 Dec 2019
NOVUM WEST, Sai Ying Pun	C/R	100%	645	Mar 17	n.a.	n.a.	295	256	79	15	
South Walk • Aura, Aberdeen	C/R	100%	142	Mar 18	n.a.	n.a.	n.a	113	2	27	
NOVUM EAST, Quarry Bay	C/R	100%	464	Oct 17	n.a.	n.a.	55	237	125	47	
Eden Manor, Kwu Tung	R	100%	590	Mar 17	n.a.	n.a.	195	97	24	274	
Seven Victory Avenue, Ho Man Tin	C/R	100%	250	Sep 16	n.a.	110	84	28	21	7	
Wellesley, Mid-Levels West	R	50% ^ψ	90	Jan 16	n.a.	22	0	0	0	28	
PARKER33, Shau Kei Wan	C/R	100%	234	Aug 15	124	87	19	2	0	2	
Double Cove (Ph. 1-5), Ma On Shan	C/R	59%	3,535	Sep 12	472	493	152	31	10	75	578 units were completed with O as of 31 Dec 2019
The Reach, Yuen Long	R	79.03%	2,580	Oct 12	212	6	13	6	0	3	
Others [⌘]	C/R				739	638	260	77	8	6	
Total					1,547	1,356	1,073	1,393	1,324	653 @ 774,755 sq.ft.	

End of 2018: <1,225 @ 953,393 sq.ft.>

*R = Residential, C = Commercial, O = Office

^πOthers refer to 39 Conduit Road, AXIS, Metro6, The Zutten, Hill Paramount, Green Lodge and the Seven The H collection projects: H • Bonaire, High Park, High Place, High Point, High One, High One Grand, High Park Grand, Park One, PARK REACH, Eltanin • Square Mile, Harbour Park, Green Code and Jones Hive

^ψ The Group's interest represents 25.07% of the development and after the allocation of the residential units to the relevant developers, the Group holds jointly with one developer a 50/50 interest in the residential units so allocated.

 in New Territories  in Kowloon  On Hong Kong Island



Recent Pre-sale Launches (As of Mid-March 2020)

- Urban – Hong Kong Island:



The Richmond, 62C Robinson Road, Mid Levels West

Total no. of units	90
Presale launched in early-Jan 2020	55 units successfully pre-sold (Close to 80% of the units launched)
Average Selling Price (Net)	Approx. HK\$31,000 psf of Saleable Area
Expected Completion	2H 2021

- Suburban – New Territories:

Reach Summit, Yuen Long (79.03% owned)

Total no. of units	504
Presale launched in Nov 2018	485 units successfully pre-sold (over 96% pre-sold and with over 350 units pre-sold in 2019)
Average Selling Price (Net)	Approx. HK\$16,200 psf of Saleable Area
Expected Completion	1H 2020



Property Development Business (cont'd)



■ Sale pipeline of new projects in Hong Kong for FY2020 (as at 31 December 2019)

Project name and location	Usage*	HLD's interest	No. of R* units	Attri. GFA/ Saleable Area (sq. ft.)*		Anticipated Completion
				C	R	
① The Richmond 62C Robinson Road, Mid-Levels (Sale launched in Jan'20)	C/R	100%	90	11,980	24,771(Saleable)	2H 21
② 38 Fuk Chak Street, Mong Kok	C/R	100%	489	30,081	150,845	2H 21
③ Lot No. 1752 in DD No. 122, Tong Yan San Tsuen, Yuen Long	R	100%	16	-	27,868	Completed
④ 1-19 Chung Ching Street, Sai Ying Pun	C/R	100%	264	10,929	79,173	2H 21
⑤ Phase 1, Tuen Mun Town Lot No. 547 (Castle Peak Road, Castle Peak Bay, Area 48 Tuen Mun)	R	16.71%	611	-	38,755	1H 22
⑥ Phase 2, Tuen Mun Town Lot No. 547	R	16.71%	614	-	39,679	1H 22
⑦ Phase 3, Tuen Mun Town Lot No. 547	R	16.71%	557	-	32,364	1H 22
⑧ 65-71 Main Street, Ap Lei Chau	C/R	100%	138	4,244	36,136	
⑨ Phase 1, New Kowloon Inland Lot No. 6565, Kai Tak	C/R	100%	479	24,251	258,622	
			Total	3,257	81,485	688,213
					Total GFA attributable to HLD for sale	
					688,213	

- Together with unsold stock from residential and commercial-cum-residential projects, a total of **around 3,900 residential units** and, separately, around 250,000 sq. ft. of industrial/office properties will be available for sale in 2020 <Previously stated as est. 3,000 for 2019>

*C = Commercial; R = Residential.

For project no.5,6,7,9, pre-sale consent to be required

■ in New Territories

■ in Kowloon

■ On Hong Kong Island

Property Development Business (cont'd)



- Large land bank in urban area of Hong Kong will generate many developments for sale/ pre-sale together with certain investment properties to be completed in the coming years *(Note 1)*

Attributable Gross Floor Area (GFA)/ Saleable Area (mn sq. ft.)	Investment Property	2020	2021 – 22	2022 or onwards	Total
Launched developments remaining inventories <i>(Note 2) – P.8</i>	–	0.77	–	–	0.77
New projects for sale/ pre-sale in 2020 <i>(Note 2) – P.10</i>	–	0.69	–	–	0.69
Yau Tong Bay Project and Lugard Road Project <i>(Note 3) – P.37</i>	–	–	–	0.92	0.92
Newly-acquired urban redevelopment projects with <u>100% ownership</u> <i>(Note 3) – P.13</i>	0.06	–	2.45	–	2.51
Newly-acquired urban redevelopment projects with <u>80% or above ownership</u> <i>(Note 3) – P.13</i>	–	–	–	1.81	1.81
6 projects at <u>Kai Tak and Sham Shui Po project</u> <i>(Note 3) – P.16</i> <i>(excl. Kai Tak NKIL No.6565(phase 1), which is in sales pipeline in 2020)</i>	–	–	1.76	–	1.76
Murray Road Project <i>(Note 3) – P.16</i>	0.47	–	approx. 6.0	↑ 6% yoy	0.47
2 projects in Fanling North NDA and Kwu Tung North NDA – P.17	–	–	0.61	0.31	0.92
Sub-total	0.53	1.46	4.82	3.04	Approx. 9.9
Newly-acquired urban redevelopment projects with over 20% but less than 80% ownership which are subject to acquisition of full ownerships – P.13	–	–	–	–	0.7
3 land lots in Fanling North NDA which are subject to finalisation of land premium – P.17	–	–	–	–	3.5
Others	–	–	–	–	0.5
Development Land Bank - Total					Approx. 14.6

Notes: 1. This sale/ pre-sale schedule is subject to change in response to changes in construction plan, regulatory and market developments.

End of 2018: <15.4>

2. For those launched projects, the area of their residential portions is calculated on saleable basis.

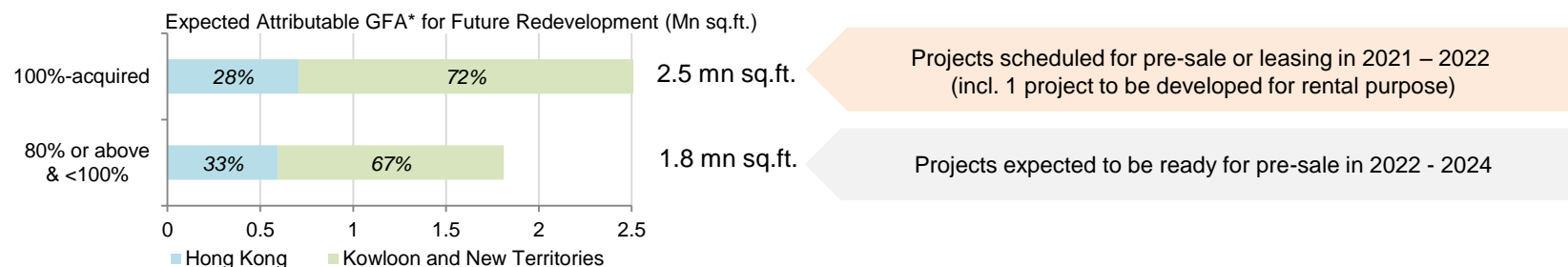
3. The GFA figures are calculated based on the Buildings Department's approved plans or the Government's latest city planning parameters and the Group's development plans. For certain projects, it may be subject to change depending on the actual needs in future.



i Land Bank in Urban Area Acquired by Site Assembly

- As at 31 Dec 2019, the Group had 26 projects with at least 80% ownership acquired and expected total attri. GFA of 4.32mn sq.ft.*

Ownership Secured as at 31 December 2019



Estimated acquisition costs for the old buildings (expected total attri. GFA: 4.32 mn sq. ft.*) with entire or over 80% ownership acquired: HK\$38.1 billion or HK\$8,800 per sq. ft. on GFA basis

Note: As for construction cost, this amounts to HK\$4,400 per sq.ft. in GFA terms on average. "hard cost" therefore amounts to HK\$13,200 per sq.ft. in GFA terms. Taking the saleable sq.ft. to GFA ratio at 84%, "hard cost" amounts to approximately HK\$15,700 psf in saleable area terms. Inclusive of estimated interest cost and other associated costs of about HK\$1,800 psf in saleable area terms, total development costs amount to approximately HK\$17,500 psf in saleable area terms.

- Additionally, the acquisition of another 29 projects with ownership over 20% but less than 80% is underway with a total estimated attributable GFA* presently of about 0.66 mn sq.ft. (based on the respective ownership currently secured by the Group) or about 1.75 mn sq. ft. upon completion of redevelopment (if all the ownerships are successfully secured by the Group).

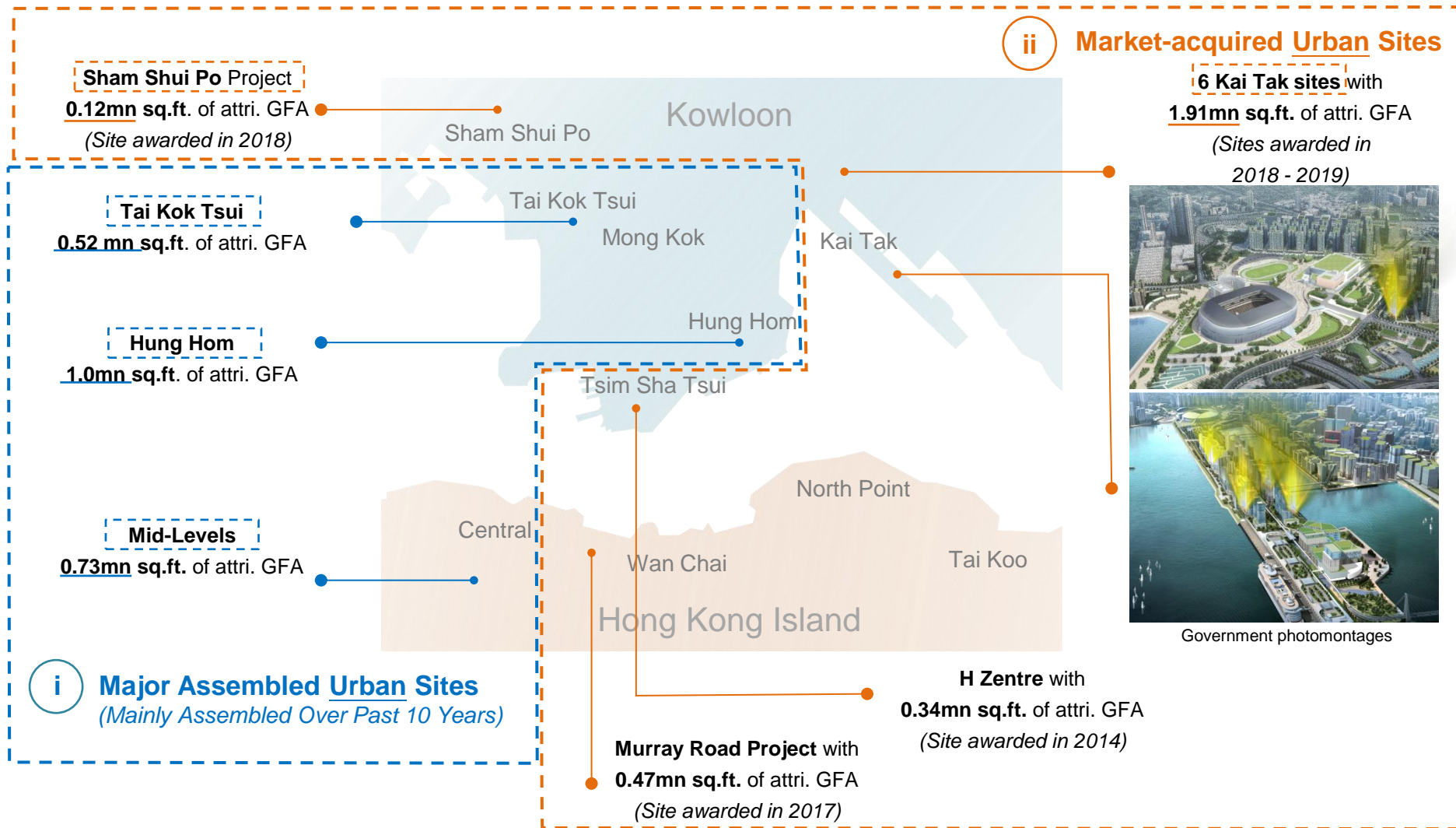
(Note: Such acquisitions bear uncertainty and the Group may not be able to consolidate all their ownerships.)

* The gross floor area (GFA) figures are calculated based on the Building Department's approved plans or Government's latest city planning parameters, and the Group's development plans.

Property Development Business (cont'd)



i Major Assembled Urban Sites + ii Market-acquired Urban Sites





i Land Bank in Urban Area Acquired by Site Assembly



38 Fuk Chak Street
Under Construction
(Pre-sale to launch in 2020)



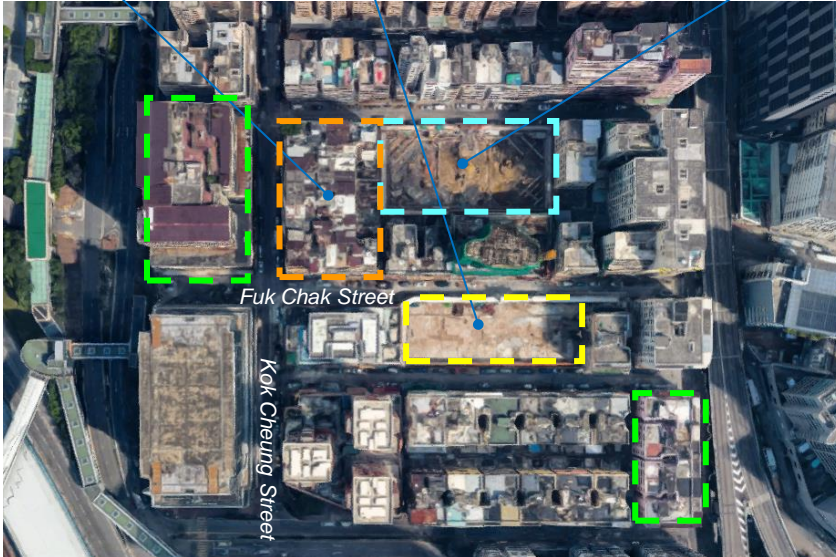
Cetus • Square Mile
Completed in Dec 2019
(Pre-sale launched)



Eltanin • Square Mile
Completed in 2017
(All units sold)



High Floors with Seaview



Tai Kok Tsui Cluster*, <"Square Mile">

over 1mn sq.ft.^ of attri. GFA
of which 0.53mn sq.ft. already launched or ready for sale/per-sale



Hung Hom Cluster*

over 1mn sq.ft. of attri. GFA

Note: * Aerial photos are not up-to-date and for illustration purpose only
^ Projects located at Man On Street are not shown in the aerial photo



ii Urban Land Bank Acquired from Market

Acquisitions in recent years

	Acquired	Usage	Interest (%)	Est. attri. GFA	Consideration attri. to HLD (amount per sq. ft. of HLD entitled GFA)
Kai Tak NKIL No. 6554 (acquired via Gov. Public Tender)	2H 2019	R/C	30%	361,515 sq. ft.	HK\$4,786mn (Approx. HK\$13,239 psf)
Kai Tak NKIL No. 6552 (acquired via Gov. Public Tender)	1H 2019	R/C	18%	115,411 sq. ft.	HK\$2,266mn (Approx. HK\$19,634 psf)
Kai Tak NKIL No. 6576 (acquired via Gov. Public Tender)	1H 2019	R	30%	216,618 sq. ft.	HK\$2,968mn (Approx. HK\$13,702 psf)
0.7mn sq.ft. acquired in 2019					
Kai Tak NKIL No. 6574 (acquired via Gov. Public Tender)	2H 2018	R	29.3%	168,362 sq. ft.	HK\$2,442mn (Approx. HK\$14,504 psf)
Sham Shui Po Project at Castle Peak Road / Un Chau Street, Kowloon (acquired via URA Public Tender)	2H 2018	R/C*	100%	124,000 sq. ft.*	HK\$1,368mn (Approx. HK\$12,400 [#] psf)
Two Kai Tak Kowloon sites acquired from HNA NKIL No. 6565 and NKIL No. 6562	1H 2018	R/C	100%	1,052,567 sq. ft.	HK\$15,958mn (Approx. HK\$15,161 psf)
Urban Residential Development Sites Acquired since 2018: 2.04 mn sq. ft.					
Murray Road Project, Central (acquired via Gov. Public Tender)	1H 2017	C	100%	465,000 sq. ft. [^]	HK\$23,280mn (Approx. HK\$50,065 psf)
H Zentre, Tsim Sha Tsui (acquired via Gov. Public Tender)	2H 2014	C	100%	339,711 sq. ft.	HK\$4,688mn (Approx. HK\$13,800 psf)

Urban Commercial Sites Acquired in 2014 and 2017: 0.80 mn sq. ft.

NKIL: New Kowloon Inland Lot

* The Group is only entitled to the residential portion of this project

[#] After inclusion of the estimated construction cost contribution at HK\$5,000 per sq.ft. to the project retail portion and certain property units to be handed over to URA upon completion

[^] Including a public car park which provides 102 car parking spaces and 69 motorcycle parking spaces



iii Land Bank in New Territories & New Urban Centres within New Territories

- At 31 Dec 2019, land reserve in New Territories amounted to approx. 44.9 mn sq. ft. (end of 2018: approx. 45.6 mn sq. ft.) in site area, the largest holding in Hong Kong
- North East New Territories New Development Areas (NDAs) comprising of **Fanling North (FLN) NDA & Kwu Tung North (KTN) NDA**, both forming as new urban centres in the New Territories
- ✓ The Group has approx. 1.38 mn sq. ft. of land plot area in the FLN NDA and KTN NDA with target population of 119,600 and 74,100 respectively; First population intake expected in 2023/2024

FLN NDA and KTN NDA – HLD's land holding (mn sq.ft.)	From Acquisition	Land Exchange/ Govt. Resumption	Remaining (as of 31 Dec 2019)
• Land area eligible for applications for in-situ land exchange	Approx. 0.9 (5 land plots)	(0.24) (Land Exchange - 2 plots)	Approx. 0.6 (Remaining - 3 plots)
• Land area attri. to HLD available for Government resumption with cash compensation	Approx. 2.0	(1.26)* Government Resumption	Approx. 0.8
Total:	Approx. 2.9		Approx. 1.38

Note*: A total land area of 1.26mn sq.ft. in the two NDAs, representing over 40% of the land holding acquired, has been resumed by Government in 2019 for public use with cash compensation of HK\$1,751mn, averaging @ HK\$1,389.6 per sq. ft.

- ✓ Expected Development Area of above 4 million sq. ft. attri. to HLD in the two NDAs

	Site Area (sq. ft.)	Estimated attri. GFA for Development (sq. ft.)	
KTN NDA Phase 1	(i) 56,510 in Kwu Tung North	305,496	Land Premium @ ~HK\$3,600 per sq.ft. of GFA
FLN NDA Phase 1	(ii) 174,235 in Fanling North	612,477	Land Premium @ ~HK\$4,100 per sq.ft. of GFA
<Land Exchange Completed in 2017>			
Other Phases (3 plots) <Added Area 0.1mn sq.ft.>	709,000 in Fanling North	3,470,000	In-situ land exchange application accepted by the Gov. for further review
Total:	~939,745	~4,387,973	



iii Sizeable Holdings in NDAs in New Territories

Wo Shang Wai Land Lots

(2.42mn sq.ft. of total site area,

0.89mn sq.ft. of attri. GFA)

<Pending S&P Agreement Completion>

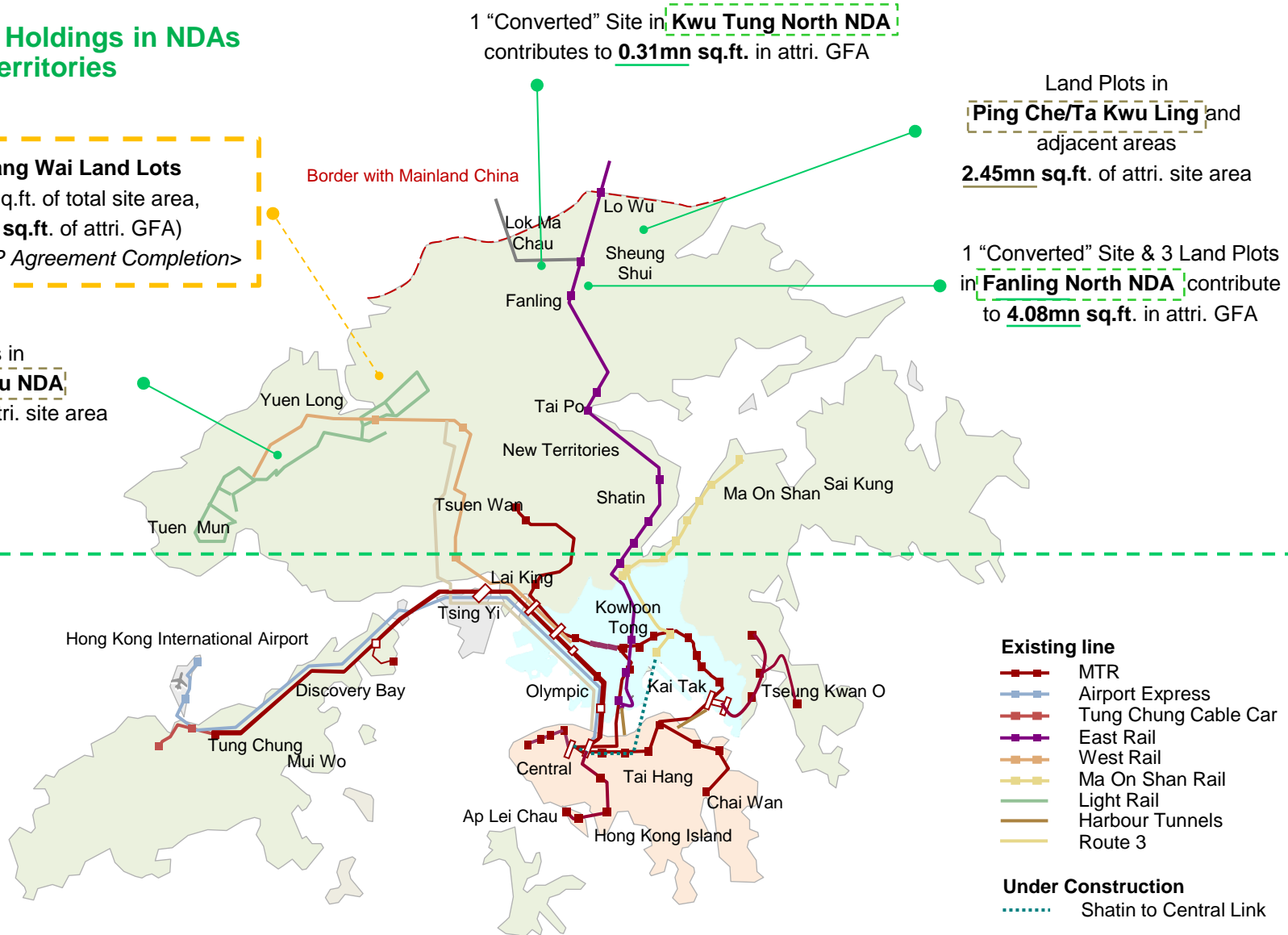
Land Plots in Hung Shui Kiu NDA

6.47mn sq.ft. of attri. site area

1 "Converted" Site in **Kwu Tung North NDA** contributes to **0.31mn sq.ft.** in attri. GFA

Land Plots in **Ping Che/Ta Kwu Ling** and adjacent areas
2.45mn sq.ft. of attri. site area

1 "Converted" Site & 3 Land Plots in **Fanling North NDA** contribute to **4.08mn sq.ft.** in attri. GFA



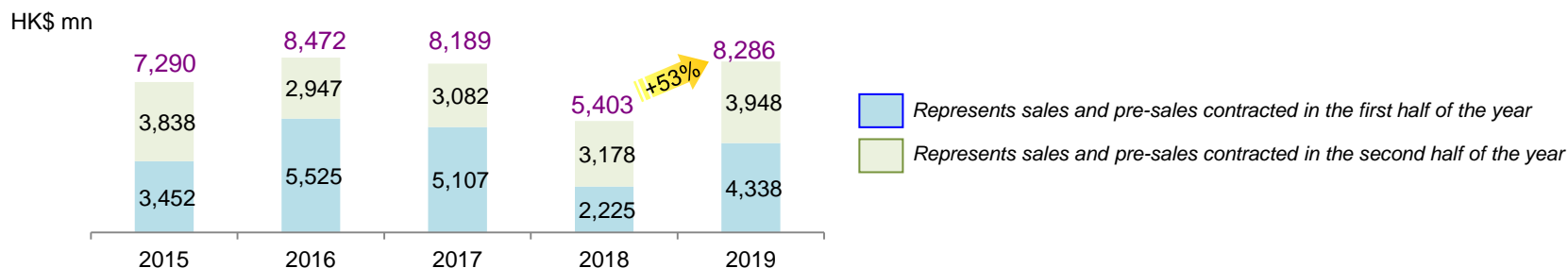


■ Property Development in Mainland China

- The final phase of 5 Development Projects and the ongoing phases of 2 Development Projects were completed in FY2019 with total attri. GFA of approx. 2.38 mn sq.ft. (FY2018: 5.40 mn sq.ft. ↓), registering significant drop in completion
- Property with debut launch or new phase launched for sale/ pre-sale in FY2019

City	Project name and location	HLD's interest
Changsha	Phase 5, The Landscape (湖山賦)	50%
Guangzhou	Phase 1 & 2, Central Manor (建發九龍倉央璽)	18%
Guangzhou	Tower 4-5, Zengcheng Development (潤悅花園)	10%
Hefei	Phase 1, Binhu Development (旭恒花園)	50%
Nanjing	Phase 3 (#1-9), Emerald Valley (玲瓏翠谷)	50%
Shanghai	Nanhui New Town Project (碧行馨香清楓苑)	12.5%
Shanghai	Nanhui New Town Project (綠地泊景雅園)	16%
Suzhou	Luzhi Project (和庭)	50%
Suzhou	Xukou Project (弘庭)	50%
Suzhou	Phase 2, Xushuguan Economic Development Zone Project (寬閱雅苑)	35.037%
Xian	Phase 2R3 & 3R4, La Botanica (御錦城)	50%
Yixing	Phase F-3, Grand Lakeview (譽瓏湖濱)	50%

Properties Sales & Pre-sales contracted in Mainland China



All figures represent the Group's attri. share of contracted sales from development projects in Mainland China developed by its subsidiaries, associates and joint ventures



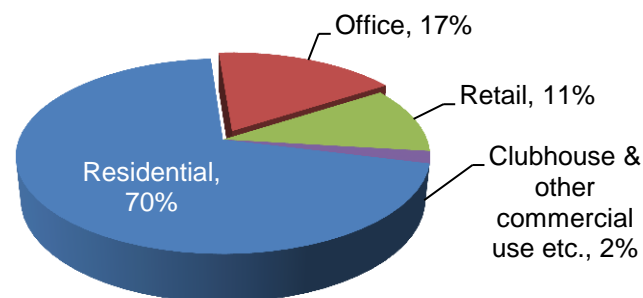
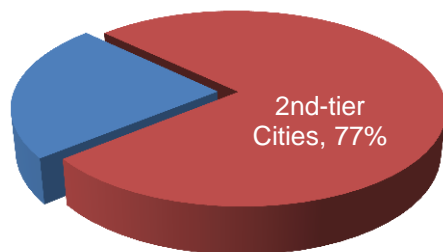
■ Property Development in Mainland China

- Projects with significant sale/ pre-sale in 2020

City	Project name and location	HLD's interest
Beijing	Lakeside Mansion (祥雲賦)	24.5%
Changsha	Phase 3 & 4, The Landscape (湖山賦)	50%
Chengdu	Lot B3-T3 (B05), The Arch Chengdu, ICC (成都環貿廣場－凱旋門)	30%
Guangzhou	Central Manor (建發九龍倉央墅)	18%
Hefei	Binhu Development (旭恒花園)	50%
Nanjing	Phase 3 (Commercial), Emerald Valley (玲瓏翠谷)	50%
Suzhou	Phase T4, Suzhou Riverside Park (水漾花城)	70%
Suzhou	Xukou Project (弘庭)	50%
Xian	Phase 1R1, La Botanica (御錦城)	50%

■ Development Land Bank with total attri. GFA of about 31.86mn sq.ft. (end of 2018: 32.04mn sq.ft.)

Prime
Cities,
23%



Property Investment Business



Growing Rental Income from Investment Properties

■ Investment Property Portfolio and Completion Pipeline:

	As at the End of 2019	2020	2021 / 22 / 23	By 2023
Hong Kong	9.4mn sq.ft.	• 206-212 Johnston Road < + 0.1mn sq.ft. to est. 9.5mn sq.ft. >	• Murray Road Project	Est. 9.9mn
Mainland China	6.4mn sq.ft.	• Lumina Shanghai Ph.1 • Lumina Guangzhou Ph.1 < + 3.8mn sq.ft. to est. 10.2mn sq.ft. >	• Lumina Shanghai Ph. 2 • Lumina Guangzhou remaining phases • Hengxu Hui	Est. 11.3mn

Note: all the above figures exclude car parking spaces and basement retail area

Leasing Business	Gross Rental Income*		Change		Net Rental Income*		Change	
	FY2019	FY2018	RMB	HKD	FY2019	FY2018	RMB	HKD
(HK\$ mn)								
Hong Kong	7,314	7,141		↑ 2%	5,601	5,587		↑ 0.3%
Mainland China	1,849	1,833	↑ 5%	↑ 1%#	1,464	1,438	↑ 6%	↑ 2%#
Total	9,163	8,974		↑ 2%	7,065	7,025		↑ 1%

The smaller percentage increase in Gross Rental Income and Net Rental Income in HK\$ terms is partly due to the 4% year-on-year depreciation of RMB against HKD (based on the average RMB/HKD exchange rate of FY2019 vs. FY2018)

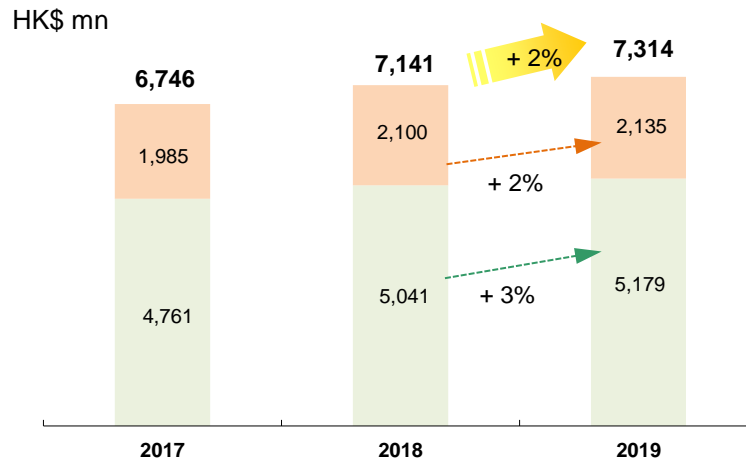
*All the above figures represent the Group's attributable share of contributions (before taxation) from investment properties held by subsidiaries, associates and joint ventures. Net rental income is stated before taxation.



Rising Rental Income from Investment Properties in Hong Kong

- Average committed occupancy rate of core investment properties in Hong Kong as at 31 December 2019: 97% (end of 2018: 98%)
- At 31 December 2019, the Group had approx. 8,000 car parking bays providing additional rental income

Gross Rental Income: Hong Kong



^ HLD owns an attributable interest of 40.77% in ifc project (end of 2018: 40.77%)



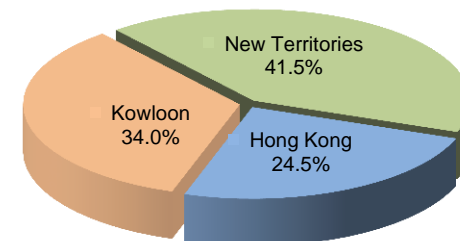
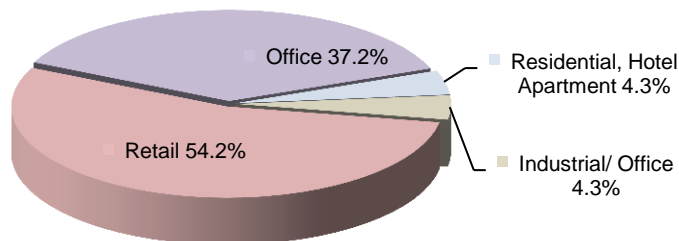
ifc (40.77% owned)

Represents the Group's attri. share of contribution from the ifc project^ (excl. the hotel portion)



Represents the Group's attri. share of contributions from investment properties held by subsidiaries, associates and joint ventures, excluding the ifc project

- Completed Investment Property Portfolio in HK amounted to **9.4 mn sq. ft.** of attri GFA as of 31 Dec 2019 (end of 2018: 8.8mn sq.ft.)





New Investment Properties and Pipeline in Hong Kong

Investment Properties Pipeline	GFA (sq.ft.)	Anticipated Handover Date
 <p>"H Zentre", Tsim Sha Tsui Commercial & Medical Hub project (100% owned)</p>	<p>Total: approx. 340,000 sq.ft. of which Commercial & Medical: approx. 236,000 sq.ft.</p>	<p><u>Completed</u> * \$[50 - 70] psf GFA/mth (Non-retail)</p>
 <p>"Harbour East", North Point Grade-A office building (100% owned)</p>	<p>Total: approx. 144,000 sq.ft. of which Office: approx. 130,000 sq. ft. Retail: approx. 14,000 sq.ft.</p>	<p><u>Completed</u> * \$[50] psf GFA/mth (Office)</p>
 <p>206-212 Johnston Road, Wanchai Office Redevelopment Project</p>	<p>Total: approx. 64,920 sq.ft. of which Office: approx. 38,000 sq. ft. Retail / F&B: approx. 26,700 sq.ft.</p>	<p>Early 2021 * \$[40-45] psf GFA/mth (Office)</p>
 <p>Murray Road Project, Central Grade-A office tower (100% owned)</p>	<p>Total: approx. 465,000 sq.ft.</p>	<p>2023 Year End/ Early 2024 * \$[150] psf GFA/mth (Office)</p>



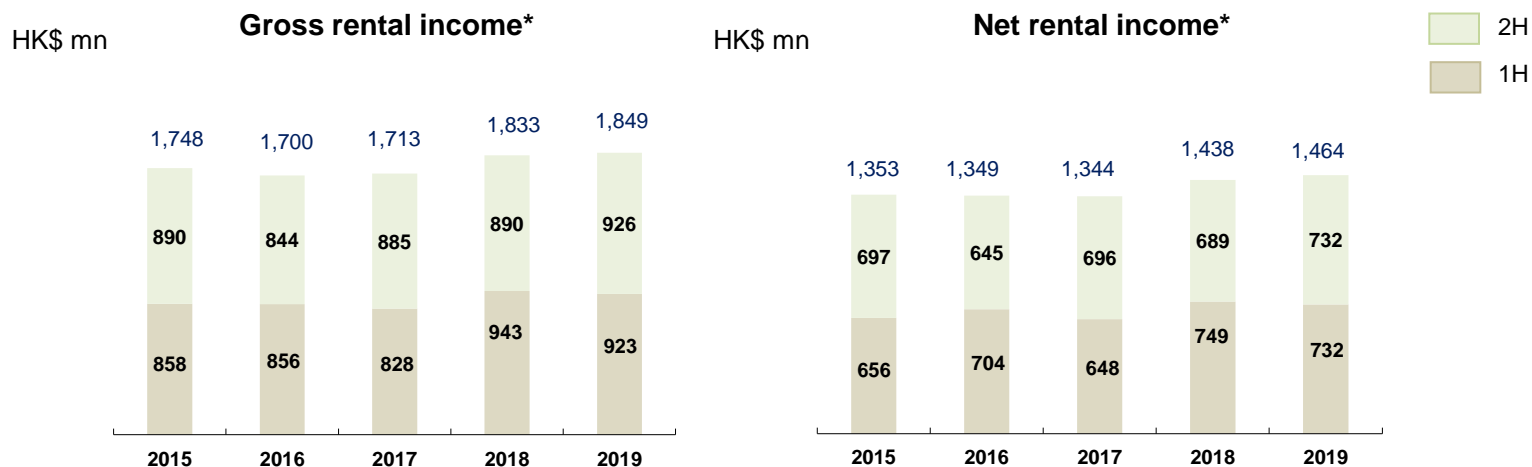
Satisfactory Rental Income from Investment Properties in Mainland China

- Satisfactory performance of key investment properties on the Mainland

Property	Leasing Rate as at 31 Dec 2019	Gross Rental Income For FY2019	y-o-y Change	
			RMB	HKD#
World Financial Centre, Beijing	~ 98%	HK\$ 862 mn	↑ 7%	↑ 2%
Henderson Metropolitan, Shanghai	~ 98%	HK\$ 256 mn	↑ 7%	↑ 2%

The smaller percentage increase in Gross Rental Income and Net Rental Income in HK\$ terms is partly due to the 4% year-on-year depreciation of RMB against HKD (based on the average RMB/HKD exchange rate of FY2019 vs. FY2018)

Performance of Leasing Business in Mainland China



*Represents the Group's attributable share of contributions (for net rental income, before taxation) from its subsidiaries, associates and joint ventures in Mainland China.



Investment Properties Pipeline in Mainland China

Investment Properties Pipeline	GFA (sq.ft.)	Anticipated Handover Date
“Lumina Shanghai” Phase 1 , Xuhui Riverside High-rise Grade A office building <i>(100% owned)</i> Under Pre-leasing	Total: approx. 2,000,000 sq.ft. <i>of which</i> Office: approx. 1,800,000 sq. ft. Retail: approx. 220,000 sq.ft.	2020 Year End/ Early 2021 * RMB[5.5-6.0]psm GFA/day (Office)
“Lumina Shanghai” Phase 2 , Xuhui Riverside Large scale investment property comprising office towers, office pavilions and modern shopping malls <i>(100% owned)</i>	Total : approx. 964,000 sq.ft. <i>of which</i> Office: approx. 868,000 sq. ft. Retail: approx. 96,000 sq.ft.	2021 Year End/ Early 2022
“Lumina Guangzhou” , Haizhu Square Large scale investment property comprising office towers, office pavilions and modern shopping malls <i>(100% owned)</i> Under Pre-leasing	Total : approx. 2,200,000 sq.ft. <i>of which</i> <u>Phase 1</u> Office: approx. 960,000 sq. ft. Retail: approx. 800,000 sq.ft. <u>Remaining Phases</u> Retail: Approx.400,000 sq.ft.	<u>Phase 1</u> 2020 Year End (Office) Early 2021 (Retail) * RMB[150]psm GFA/mth (Office) * RMB[220]psm GFA/mth (Retail)
Hengxu Hui Huaihai Middle Road, Shanghai Office and Retail <i>(50% owned)</i>	Total: approx. 280,000 sq.ft. <i>of which</i> Office: approx. 245,500 sq. ft. Retail: approx. 32,000 sq.ft.	Early 2021 * RMB[7.5-8] psm GFA/day (Office)

Hong Kong & China Gas (“HKCG”) 41.53% owned

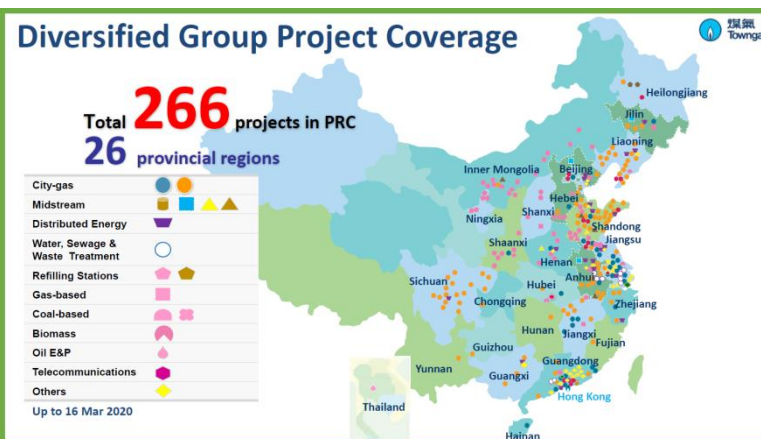


- HKCG’s unaudited profit after taxation attributable to shareholders for FY2019: HK\$6,766 mn* (exclusive of HKCG’s share of revaluation surplus from ifc complex), down 7% y-o-y
- Dividend declared for FY2019 attributable to HLD: HK\$ 2,460 mn, up 10% y-o-y
- Total volume of gas sales in Hong Kong for FY2019 decreased by 2.8% to approximately 28,712 mn MJ
- Sole supplier of piped gas in Hong Kong with 1.93 mn customers (End of 2018: 1.91mn)
- Large-scale city-gas enterprise in Mainland China with around 29.78 mn customers (End of 2018: 27.54 mn)
 - Largest controlling shareholder of Towngas China Company Limited (“Towngas China”, stock code: 1083), with a 67.76% interest as of 31 December 2019. Towngas China’s profit after taxation attributable to its shareholders for FY2019 amounted to HK\$1,456 mn# (excluding impairment provision of goodwill), up 19% over FY2018
 - Inclusive of Towngas China’s projects, HKCG had 266 projects (up to 16 Mar 2020) spread across Mainland China encompassing upstream, midstream and downstream natural gas sectors, water sectors, efficient energy applications and exploration and utilisation of emerging environmentally-friendly energy, as well as telecommunications

HKCG At A Glance (as of 31 Dec 2019)

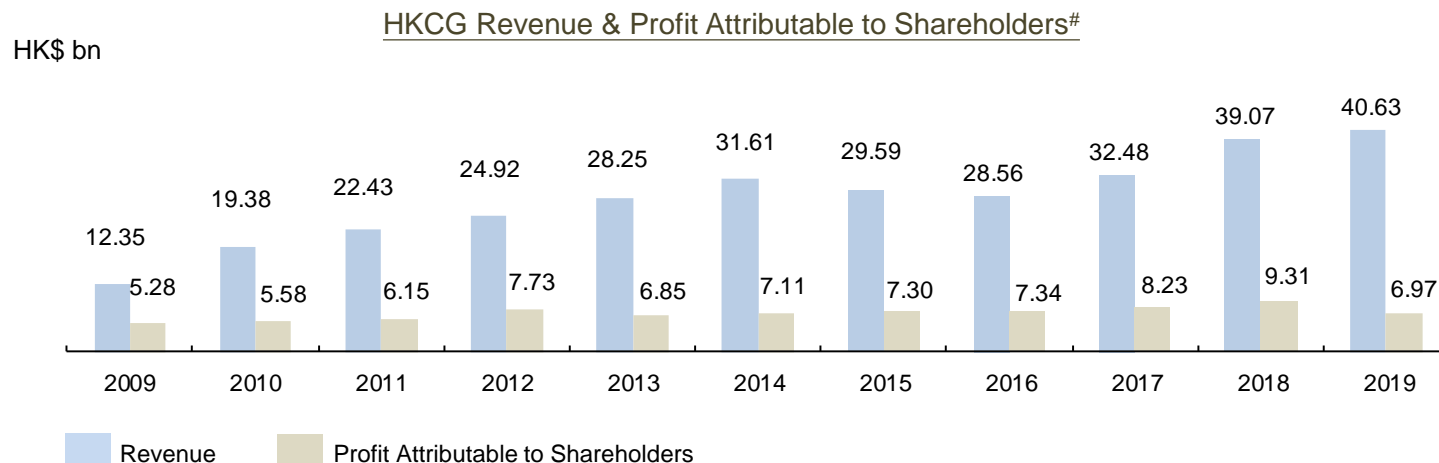
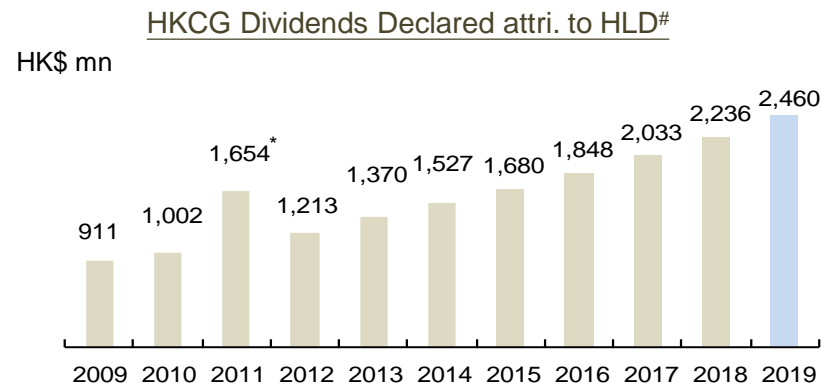
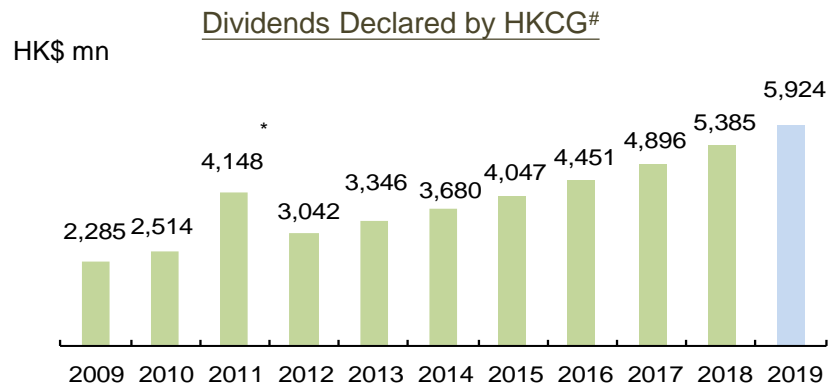
- ☑ Total Issued Shares: ~ 16,925 mn shares
- ☑ Market Capitalization: ~ HK\$257,599 mn
- ☑ Shareholders’ Equity: ~HK\$64,209 mn
- ☑ 41.53% owned by Henderson Land – single largest shareholder

(Closing market price of HK\$15.22 per share as of 31 Dec 2019)



* Inclusive of HKCG’s share of revaluation surplus from the International Finance Centre(“ifc”) complex, profit after taxation attributable to shareholders amounted to HK\$6,966 mn
 # After deducting the one-off impairment provision of goodwill, profit after taxation attributable to shareholders amounted to HK\$1,308 mn

Hong Kong & China Gas (“HKCG”) (cont’d) 41.53% owned



#Data for the years ended 31 December for full financial year results

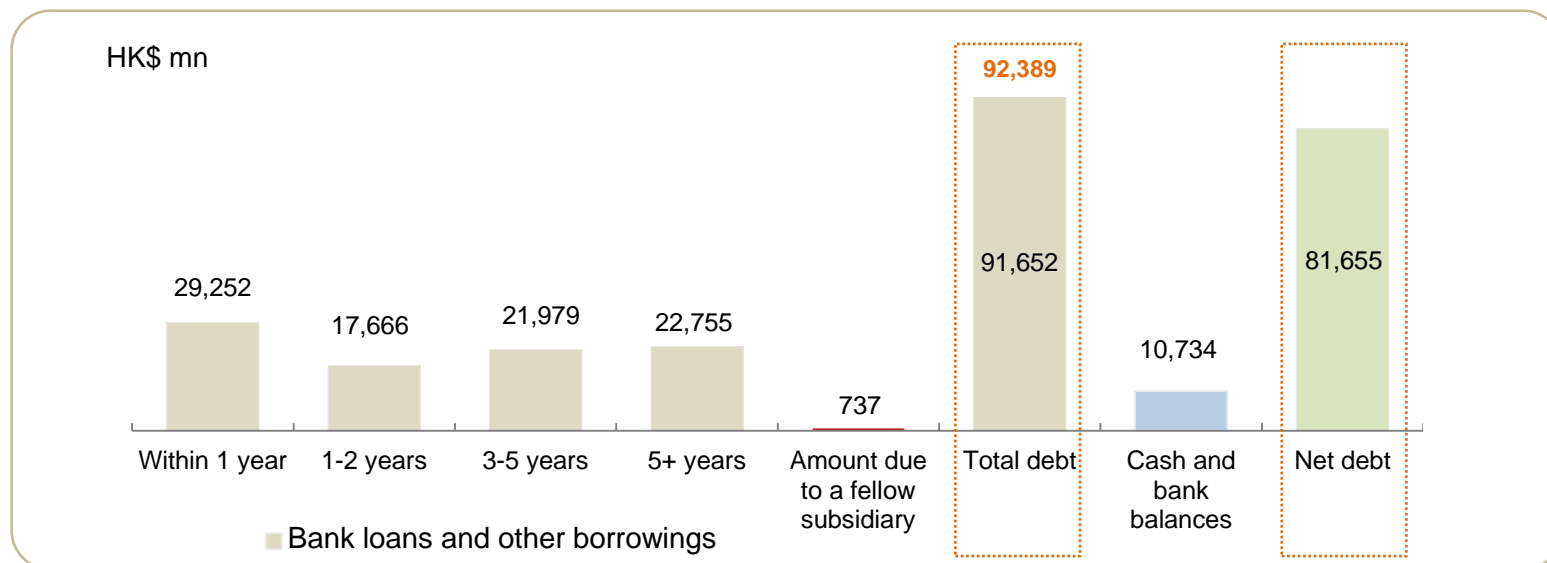
* Including approximately HK\$1,383 mn of special dividend declared in March 2012 for celebrating HKCG's 150th Anniversary in 2012, of which ~HK\$551 mn was attributable to HLD.

Strong Financial Position



- Financial Gearing Ratio[^] maintained at healthy level of **25.5%** as at 31 Dec 2019 (*end of 2018: 22.4%*)
 - Abundant banking facilities and funding in place well cover the Group's attributable share of capital commitments already contracted for that amounted to ~ HK\$11.8 bn at 31 Dec 2019

[^] refers to net debt to shareholders' equity ratio
- Interest Cover[#] of **7 times** for FY2019 (*FY2018: 11 times*)
- HK\$ denominated Effective Borrowing Rate at approx. **2.66%** p.a. (*FY2018: approx. 2.31% p.a.*)
- Debt Maturity Profile as at 31 Dec 2019
 - Weighted Average Debt Maturity of **3.35 Years** as at 31 Dec 2019 (*end of 2018: 3.02 Years*)



[#] refers to profit from operations (incl. bank interest income and the cumulative fair value change (net of tax) of investment properties disposed of during the year, but before change in fair value of IPs and IPs under development for the year) plus share of underlying profits of associates and JVs and divided by interest expense (before interest capitalisation)

- Amid the protracted local social unrest and the spread of the novel coronavirus inflection, it is expected that the operating environment for the Group's various businesses will be challenging this year. The group will monitor the situation closely, assess risks, and take appropriate measures. With the Group's ample financial resources and seasoned professional team, it is well-placed to tackle the challenges ahead.

Property Sales

- ✓ 8 more projects for pre-sale/sale launch in Hong Kong in FY2020
- ✓ Together with the unsold stocks, a total of about 3,900 residential units and 250,000 sq. ft. of quality industrial/office space in HK will be available for pre-sale/sale in 2020
- ✓ Continue to look for investment opportunities in the first tier cities, as well as major second tier cities in mainland China, whilst co-operation with local property developers will also be strengthened

Property Leasing

- ✓ Successive completion of Johnston Road Project in Hong Kong as well as "Lumina Guangzhou" Phase 1 at Haizhu Square and "Lumina Shanghai" Phase 1 at Xu Hui Riverside Area in Mainland China in 2020 will expand Group's rental portfolio to 9.5 mn sq.ft. and 10.2mn sq. ft. in attri. GFA by the end of 2020 in HK and Mainland China respectively
- ✓ Murray Road Project in HK and the remaining phases for "Lumina Shanghai" in Xu Hui Riverside of Shanghai in pipeline will grow the Group's rental portfolio with a more optimal composition

Associates

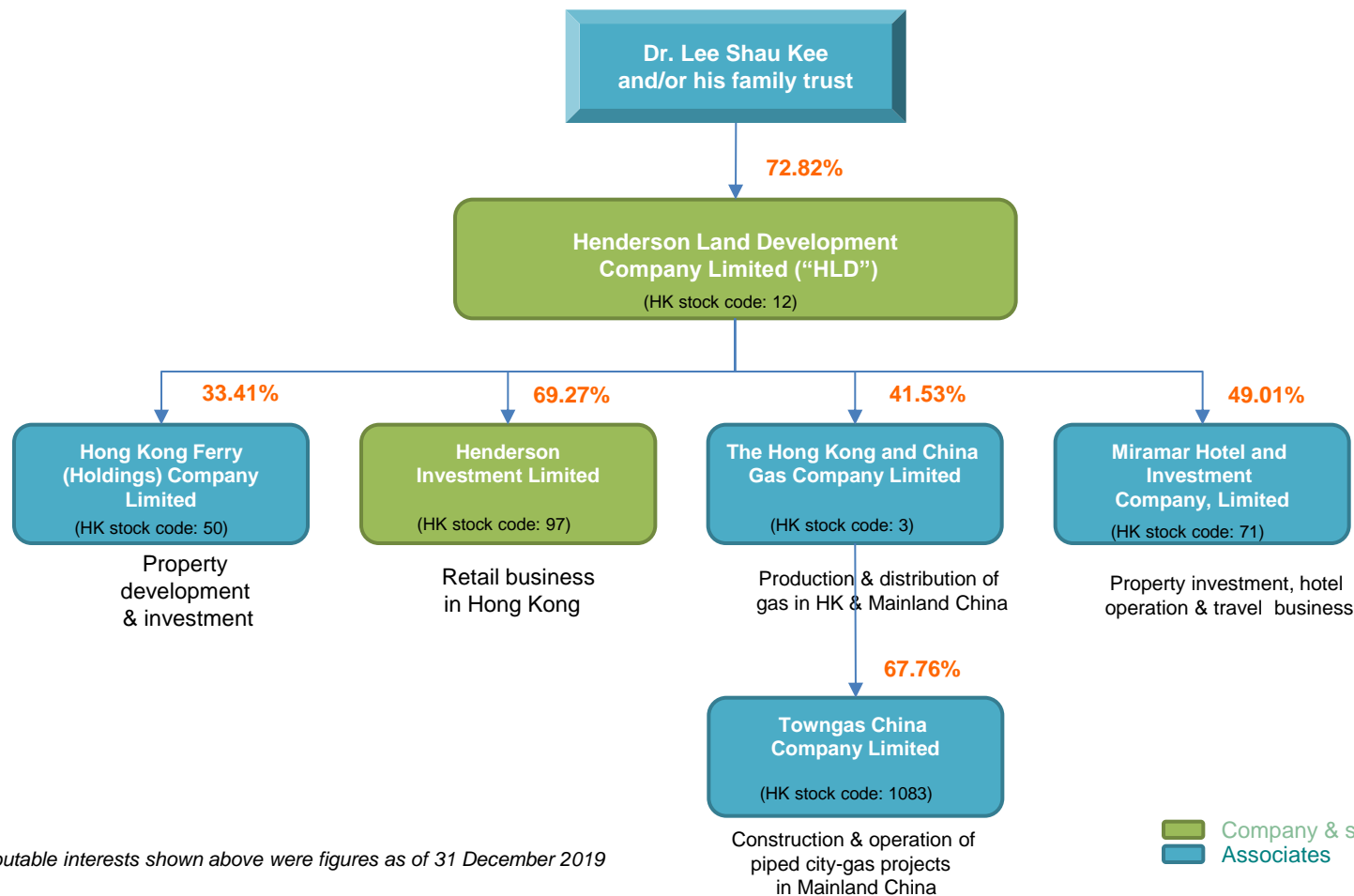
- ✓ Three listed associates, namely HKCG, Miramar Hotel and Investment Company, Limited and Hong Kong Ferry (Holdings) Company Limited serve as another steady recurrent income stream to the Group
- ✓ For HKCG, its portfolio included 266 projects in Mainland China (up to 16 Mar 2020). With a total of over 31 mn piped-gas customers in Hong Kong and Mainland China as well as its gradually expanding businesses, it will provide promising contributions to the Group

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Annex 1.1: Group Structure



- The Group's Chairman Dr. Lee and/ or his family trust owned an equity interest of about 72.82% in Henderson Land as of 31 December 2019 (31 December 2018: 72.82%)



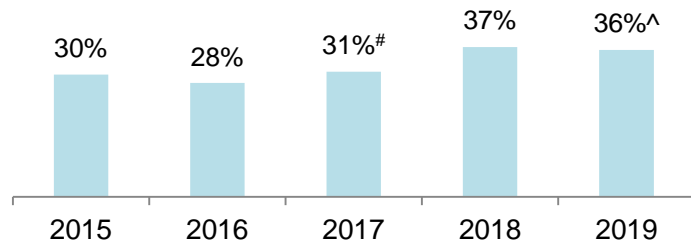
All attributable interests shown above were figures as of 31 December 2019

■ Company & subsidiary
■ Associates

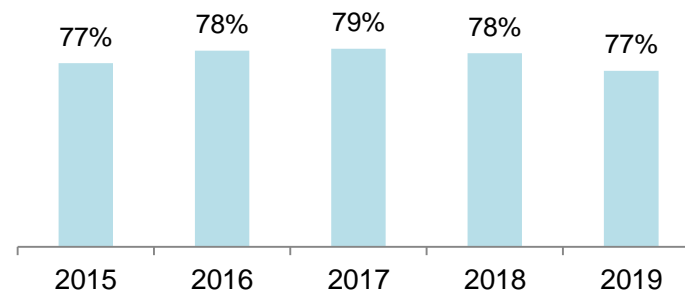
Annex 1.2: Operating Margin



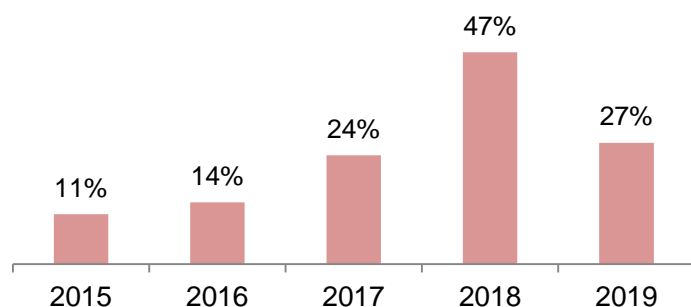
Hong Kong
Property Development Operating Margin*



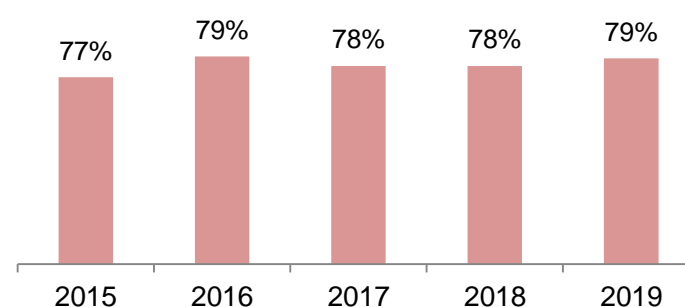
Hong Kong
Property Leasing Operating Margin*



Mainland China
Property Development Operating Margin*



Mainland China
Property Leasing Operating Margin*



*Operating Margin represents the Group's attributable share of contributions before unallocated head office and corporate expenses, finance costs and taxation from its subsidiaries, associates and joint ventures in Hong Kong and Mainland China and divided by corresponding Group's attributable share of combined revenue

Figure was restated under the adoption of new accounting standards, being HKFRS 9 and HKFRS 15, effective on 1 Jan 2018. In particular, the revenue from the sale of completed properties held for sale and gain on disposal of investment properties during the year is recognized on the basis that control over the ownership of the property has been passed to the buyer during the current year.

^ The major contributors of the Group's attributable share of gross revenue and pre-tax profits from property sales in Hong Kong in FY2019 were "Seven Victory Avenue", "Park Reach", "Park One", "NOVUM EAST", "South Walk · Aura", "Eden Manor" and "NOVUM WEST"

Annex 2.1.1:

Inventories from major launched projects for sale



		Usage*	HLD interest	Attri. C* area for rental	Inventories as at 31 Dec 2019	Saleable area attri. to HLD (sq. ft.)
1	Eden Manor – 88 Castle Peak Road, Kwu Tung	R	100%	-	274	326,008
2	Double Cove (Phases 1 - 5) – 8 Wu Kai Sha Road, Ma On Shan	C/R	59%	63,087	75	84,395
3	Cetus • Square Mile, 18 Ka Shin Street, Mong Kok	C/R	100%	21,161	94	26,413
4	Wellesley – 23 Robinson Road, Mid-Levels West	R	50%#	-	28	23,602
5	NOVUM EAST – 856 King's Road, Quarry Bay	C/R	100%	27,783	47	13,028
6	The Addition – 342-356 Un Chau Street, Cheung Sha Wan	C/R	100%	14,227	37	12,844
7	The Vantage – 63 Ma Tau Wai Road, Hung Hom	C/R	100%	34,534	17	7,085
8	NOVUM WEST – 460 Queen's Road West, Sai Ying Pun	C/R	100%	30,250	15	6,741
9	Green Lodge – 23 Ma Fung Ling Road, Yuen Long	R	100%	--	2	6,617
10	South Walk • Aura, 12 Tin Wan Street, Aberdeen	C/R	100%	2,525	27	6,410
11	Reach Summit – 99A Tai Tong Road, Yuen Long	R	79.03%	-	21	5,847
12	The Reach – 11 Shap Pat Heung Road, Yuen Long	R	79.03%	--	3	3,260
13	Seven Victory Avenue – 7 Victory Avenue, Ho Man Tin	C/R	100%	9,952	7	2,723
14	H • Bonaire – 68 Main Street, Ap Lei Chau	C/R	100%	5,228	4	2,553
15	PARKER33 – 33 Shing On Street, Shau Kei Wan	C/R	100%	--	2	1,134
16	Global Gateway Tower – 63 Wing Hong Street, Cheung Sha Wan	I/O	100%	--	n.a.	77,777
17	E-Trade Plaza – 24 Lee Chung Street, Chai Wan	O	100%	--	n.a.	60,359
18	The Globe – 79 Wing Hong Street, Cheung Sha Wan	O	100%	--	n.a.	59,337
19	Mega Cube – 8 Wang Kwong Road, Kowloon Bay	O	100%	--	n.a.	48,622
Total (Project no. 1-19)				208,747	653	774,755

*C = Commercial; R = Residential; O = Office; I/O = Industrial/ Office.

The Group's interest represents 25.07% of the development and after the allocation of the residential units to the relevant developers, the Group holds jointly with one developer a 50/50 interest in the residential units so allocated.

For projects no. 16-19, the area represents the project's office, industrial or shop area.

Annex 2.1.2:

Newly-acquired Urban Redevelopment Projects with 80% to 100% ownership



Hong Kong	With 100% ownership secured		80% or above but < 100% ownership secured		Total attri. GFA (sq. ft.)
	Site area (sq. ft.)	Expected attri. GFA upon redevelopment (sq. ft.)	Site area (sq. ft.)	Expected attri. GFA upon redevelopment (sq. ft.)	
(1) 4A-4P Seymour Road, Mid-Levels (65% stake held by HLD)	52,466	306,921			306,921
(2) 73-73E Caine Road, Mid-Levels	6,781	64,063		729,466 sq.ft. @ Mid-Levels	64,063
(3) 1-4 Ladder Street Terrace, Mid-Levels	2,859	13,907			13,907
(4) 94-100 Robinson Road, Mid-Levels	5,798	28,990	6,362	31,810	60,800
(5) 88 Robinson Road, Mid-Levels			10,361	51,805	51,805
(6) 105 Robinson Road, Mid-Levels			27,530	126,638	126,638
(7) 33-47A Elgin Street, Mid-Levels			13,252	105,332	105,332
(8) 206-212 Johnston Road, Wanchai (Note 1)	4,328	64,923			64,923
(9) 13-21 Wood Road and 22-30 Wing Cheung Street, Wanchai	6,392	51,068	2,208	19,722	70,790
(10) 83-95 Shek Pai Wan Road and 2 Tin Wan Street, Aberdeen	4,950	42,075	1,128	10,716	52,791
(11) 4-6 Tin Wan Street, Aberdeen			1,740	14,790	14,790
(12) 9-13 Sun Chun Street, Tai Hang			2,019	18,171	18,171
(13) 17-25 Sun Chun Street, Tai Hang			4,497	40,473	40,473
(14) 2 Tai Cheong Street, Quarry Bay	13,713	134,421			134,421
(15) 983-987A King's Road and 16-22 and 24-94 Pan Hoi Street, Quarry Bay (50% stake held by HLD)			43,882	176,760	176,760
Sub-total(Hong Kong):	97,287	706,368 (-17% yoy)	112,979	596,217 (+2% yoy)	1,302,585 (-9% yoy)

Note 1: To be held for rental purposes upon completion of development.

Note 2: Developable are may be subject to payment of land premium.

* their ownership will be consolidated by proceeding to court for compulsory sale under the "Land (Compulsory Sale for Redevelopment) Ordinance". In the event that no court order is granted, the Group may not be able to complete the consolidation of the ownership for development.

Annex 2.1.2:

Newly-acquired Urban Redevelopment Projects with 80% to 100% ownership



Kowloon and New Territories	With 100% ownership secured		80% or above but < 100% ownership secured		Total attri. GFA (sq. ft.)
	Site area (sq. ft.)	Expected attri. GFA upon redevelopment (sq. ft.)	Site area (sq. ft.)	Expected attri. GFA upon redevelopment (sq. ft.)	
(16) 2 Tak Shing Street, Tsim Sha Tsui	10,614	89,553			89,553
(17) 16 Kimberly Road, Tsim Sha Tsui			12,283	147,396	147,396
(18) Various projects spanning Ka Shin Street, Kok Cheung Street, Pok Man Street, Man On Street and Tai Kok Tsui Road, Tai Kok Tsui	36,595	325,004	22,163	199,467	524,471 @ Tai Kok Tsui
(19) 456-466 Sai Yeung Choi Street North and 50-56A Wong Chuk Street, Sham Shui Po (Note 2)	22,889	203,962			203,962
(20) 1-27 Berwick Street, 202-220 Nam Cheong Street and 1-14 Yiu Tung Street, Shek Kip Mei	35,326	310,621	10,200	81,600	392,221
(21) 11-19 Wing Lung Street, Cheung Sha Wan (Note 2)	6,510	58,300			58,300
(22) Various projects spanning Gillies Avenue South, Baker Street, Whampoa Street and Bulkeley Street, Hung Hom	66,200	595,698	45,850	412,654	1,008,352 @ Hung Hom
(23) 68A-76B To Kwa Wan Road, 58-76 Lok Shan Road, 14-20 Ha Heung Road, 1-7 Lai Wa Street and 1-9 and 2-8 Mei Wa Street, To Kwa Wan			42,506	374,355	374,355
(24) 67-83 Fuk Lo Tsun Road, Kowloon City (Note 2)	10,954	96,696			96,696
(25) 4-22 Nam Kok Road, Kowloon City	10,177	86,505			86,505
(26) 3 Mei Sun Lane, Tai Po	6,487	37,041			37,041
Sub-total(Kowloon and New Territories):	205,752	1,803,380 (+24% yoy)	133,002	1,215,472 (-21% yoy)	3,018,852 (+1% yoy)
Total:	303,039	2,509,748 (+9% yoy)	245,981	1,811,689 (-14% yoy)	4,321,437 (-2% yoy)

Note 1: To be held for rental purposes upon completion of development.

Note 2: Developable area may be subject to payment of land premium.

* their ownership will be consolidated by proceeding to court for compulsory sale under the "Land (Compulsory Sale for Redevelopment) Ordinance". In the event that no court order is granted, the Group may not be able to complete the consolidation of the ownership for development.

Annex 2.1.3:

Summary of All Developments in Hong Kong (as of 31 Dec 2019)



Summary of all the different categories of Development Land Resources in Hong Kong		Attri. GFA/ saleable area (Note 1) (mn sq. ft.)	Remarks
(A) Area available for sale:			
1	Unsold units from major launched projects	0.8	Of which 578 units were completed with occupation permits
2	Projects pending sale in 2020	0.7	
Sub-total		1.5	
(B) Area available for sale and leasing:			
3	Existing urban redevelopment projects	0.9	Date of sales launch not yet fixed and one of them is pending finalization of land premium with the Government
4	Newly-acquired urban redevelopment projects – ownership fully consolidated	2.5	Most of them are expected to be available for sale or leasing in 2021 – 2022
5	Newly-acquired urban redevelopment projects – with over 80% ownership secured	1.8	Most of them are expected to be available for sale in 2022 – 2024
6	Newly-acquired urban redevelopment projects – with over 20% but less than 80% ownership secured (Note 2)	0.7	Redevelopments of these projects are subject to acquisition of full ownerships
7	Murray Road, Central	0.5	To be held for rental purposes upon completion
8	Kai Tak Development Area	1.7	Expected to be available for sale in 2021 – 2023 (excl. the project at NKIL No.6565 (Phase 1), which is in the sales pipeline in 2020)
9	Castle Peak Road / Un Chau Street project, Sham Shui Po	0.1	Expected to be available for sale in 2021
Sub-total		8.2	
Total of Sections (A) and (B)		9.7	

Notes:

- GFA is calculated on the basis of the Government's latest city planning parameters as well as the Group's development plans. For certain projects, it may be subject to change depending on the actual needs in the future.
- The 29 projects have a total estimated attributable GFA of ~1.75 mn sq. ft. based on the Government's latest city planning and upon successful consolidation of ownership. The Group's total attributable GFA based on the ownership currently secured for each project: ~0.66 million sq. ft. Such acquisitions bear uncertainty and the Group may not be able to consolidate ownerships of all projects. Redevelopments can only be implemented upon acquisition of the full ownership of the relevant projects.

Annex 2.1.3 & 2.1.4:

Summary of All Developments in Hong Kong (as of 31 Dec 2019)



Summary of all the different categories of Development Land Resources in Hong Kong (Cont'd)

Attri. GFA/ saleable area (Note1)
(mn sq. ft.)

Remarks

(C) Major development projects in New Territories:

• Fanling North	3.5	Developable area is subject to finalization of land premium
• Fanling Sheung Shui Town Lot No. 262, Fanling North	0.6	
• Fanling Sheung Shui Town Lot No. 263, Kwu Tung	0.3	
• Others	0.5	
Sub-total	4.9	
Total for Sections (A), (B) and (C)	14.6	

Note: 1. GFA is calculated on the basis of the Buildings Department's approved plans or the Government's latest city planning parameters as well as the Group's development plans. For certain projects, it may be subject to change depending on the actual needs in the future.

Urban Redevelopment Projects Pipeline

	Project	Site area (sq. ft.)	Expected GFA upon redevelopment (sq. ft.)	HLD's interest	Expected attributable GFA upon redevelopment (sq. ft.)	
					For rental	For sale
1	Yau Tong Bay, Kowloon (Note 1)	810,454	3,993,670	22.8%	--	910,556
2	29A Lugard Road, The Peak, Hong Kong	23,653	11,709	100%	--	11,709
Total		834,107	4,005,379	--	922,265	

Note:

1. The modified general building plan was approved in July 2017. It is now pending finalization of land premium with the Government.

Annex 3.1:

Development Landbank in Mainland China



Land bank under/ for development as of 31 December 2019



A “Two-pronged” strategy

	No. of Projects	Attributable GFA* (mn sq. ft.)
1. Beijing	3	1.04
2. Shanghai	6	3.76
3. Guangzhou	3	2.31
4. Shenzhen	1	0.21
5. Changsha, Hunan	1	4.78
6. Chengdu, Sichuan	1	3.28
7. Hefei, Anhui	1	0.69
8. Nanjing, Jiangsu	1	0.19
9. Shenyang, Liaoning	1	4.45
10. Suzhou, Jiangsu	2	1.42
11. Xian, Shaanxi	1	6.87
12. Xuzhou, Jiangsu	1	0.62
13. Yixing, Jiangsu	1	2.24
TOTAL at 31 Dec 2019	23	31.86
TOTAL at 31 Dec 2018	24	32.04

Prime cities:
7.32 mn sq. ft.

2nd-tier cities:
24.54 mn sq. ft.

*Excluding basement areas and car parking spaces

Annex 3.2.1:

Completion Schedule in Mainland China



- As of 31 December 2019, the Group had about 0.52 mn sq. ft. in attri. GFA# of completed inventories in Mainland China.
- Projects completed in FY2019:

Project name and location	Project type	GFA (sq. ft.)#	GFA attributable to HLD (sq. ft.)#
Phase 3C, Arch of Triumph (恒基·凱旋門), Xingsha Town, Changsha	Residential & Commercial	414,000	290,000
Phase 3, Henderson • Country Garden Jin Shi Tan Project (翠巒), Dalian	Residential	130,000	65,000
Xukou Project (弘庭), Wuzhong District, Suzhou	Residential	1,306,000	653,000
Luzhi Project (和庭), Wuzhong District, Suzhou	Residential	462,000	231,000
Phase 3B, Palatial Crest (恒基·碧翠錦華) on Jin Hua North Road, Xian	Residential	255,000	255,000
Phase 3R2, 3K1 & 3P1, La Botanica (御錦城), Xian	Residential, Commercial & School	1,020,000	510,000
Phase F-2A, Grand Lakeview (譽瓏湖濱), Dongjiu District, Yixing	Residential & Commercial	756,000	378,000
Total		4,343,000	
Total GFA attributable to HLD			2,382,000

#Excluding basement areas and car parking spaces

Annex 3.2.2:

Completion Schedule in Mainland China (Cont'd)



■ Completion schedule for FY2020

Project name and location	Project type	Estimated GFA (sq. ft.) [#]	Estimated GFA attributable to HLD (sq. ft.) [#]
Lakeside Mansion (祥雲賦), Shunyi District, Beijing	Residential / Commercial	1,294,000	317,000
Phase 1 & 2, The Landscape (湖山賦), Kaifu District, Changsha	Residential / Commercial	2,906,000	1,453,000
Lot B – B03 & Lot B3 – T3 & T4, The Arch Chengdu, ICC (成都環貿廣場 – 凱旋門), Dongda Road, Commercial and Financial District, Chengdu	Residential / Commercial	1,930,000	579,000
Phase A, B & C, Lumina Guangzhou (星寰國際商業中心), Yuexiu District, Guangzhou	Commercial	1,775,000	1,775,000
Phase 1, Central Manor (建發九龍倉央璽), Baiyun District, Guangzhou	Residential	589,000	106,000
Phase 3, Emerald Valley (玲瓏翠谷), Xianlin District, Nanjing	Residential / Commercial	336,000	168,000
Phase 1, Nanhui New Town Project (碧行馨香清楓苑), Shanghai	Residential	824,000	103,000
Phase 1, Nanhui New Town Project (綠地泊景雅園), Shanghai	Residential	794,000	127,000
Middle Huaihai Road Project (恒旭薈), Shanghai	Commercial	278,000	139,000
Phase 1, Lumina Shanghai, (星揚西岸中心), Xuhui District, Shanghai (188S-H-2)	Commercial	2,004,000	2,004,000
Lumina Shanghai, (星瀚廣場), Xuhui District, Shanghai (188S-C-4, 188S-D-1)	Commercial	977,000	977,000
Phase 1, Xushuguan Economic Development Zone Project (寬閱雅苑), Suzhou	Residential	771,000	270,000
Phase 2R5 & 1S1, La Botanica (御錦城), Xian	Residential, Commercial & School	1,998,000	999,000
Phase 4A, Grand Paradise (恒基·雍景新城), Xuzhou	Commercial	259,000	259,000
Phase B-2A, 2B and B-3A, 3B, Grand Lakeview (譽瓏湖濱), Dongjiu District, Yixing	Residential	2,828,000	1,414,000
Total		19,563,000	
Total estimated GFA attributable to HLD			10,690,000

[#]Excluding basement areas and car parking spaces

Annex 3.3:

Rental Portfolio in Mainland China



Major completed investment properties in Mainland China as of 31 December 2019

								
Project Name	World Financial Centre	Grand Gateway Office Tower II	Skycity	Centro	Greentech Tower	Henderson Metropolitan	Henderson 688	Hengbao Plaza
Location	Beijing	Shanghai	Shanghai	Shanghai	Shanghai	Shanghai	Shanghai	Guangzhou
HLD's interest	100%	100%	100%	100%	100%	100%	100%	100%
Usage	Office & Retail	Office	Retail	Office & Retail	Office & Retail	Office & Retail	Office & Retail	Retail
Acquisition Year	1994	1997	1992	1992	1992	2007	1994	1995
Completion Year	2009	2005	1998	2010	2012	2010	2014	2001
GFA[^] (sq. ft.)	2,212,591	687,981	435,801	434,125	408,804	834,598	710,636	653,557
• Office	1,999,947	687,981	142,353	368,658	355,882	427,980	660,829	--
• Commercial	212,644	--	293,448	65,467	52,922	406,618	49,807	653,557
• No. of Car park	1,163	--	272	186	163	272	404	326
Leasing Rate • 31 Dec 2019	~98%	~93%	~75%	~90%	~92%	~98%	~93%	~80% (newly revamped)

[^]Excluding car parking spaces and basement retail area

Annex 4:

ESG 2019 Highlights



Our Murray Road project in Central achieved

**WELL
Platinum
Pre-certification**
from International WELL Building Institute (IWBI) and
**LEED Platinum
Pre-certification**

(Core & Shell)

Supported over

100
community
programmes

benefitting over

131,700

underprivileged and
young people



Planted

3,450

native tree seedlings as
part of our Plantation
Enrichment Programme

Averaged

98.4%

overall customer
satisfaction

Awarded

**World's Best
Employers 2019
— Top 500**
by Forbes

Employees undertook over

177,000
hours of training

**HARBOUR
EAST**

became the first Hong
Kong project to achieve

**China Healthy
Building
Design Label –
3-Star Rating**

Cumulatively achieved 12 LEED,
19 BEAM, 37 BEAM Plus, 5 China
Green Building Design Label,
1 China Healthy Building
Design Label and
4 WELL project accreditations

Target to
reduce energy
consumption in
the common areas
of 14 commercial
properties by

10%

by 2025
(2015 as baseline)



Five of our Volunteer Teams contributed over

147,000
service hours



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