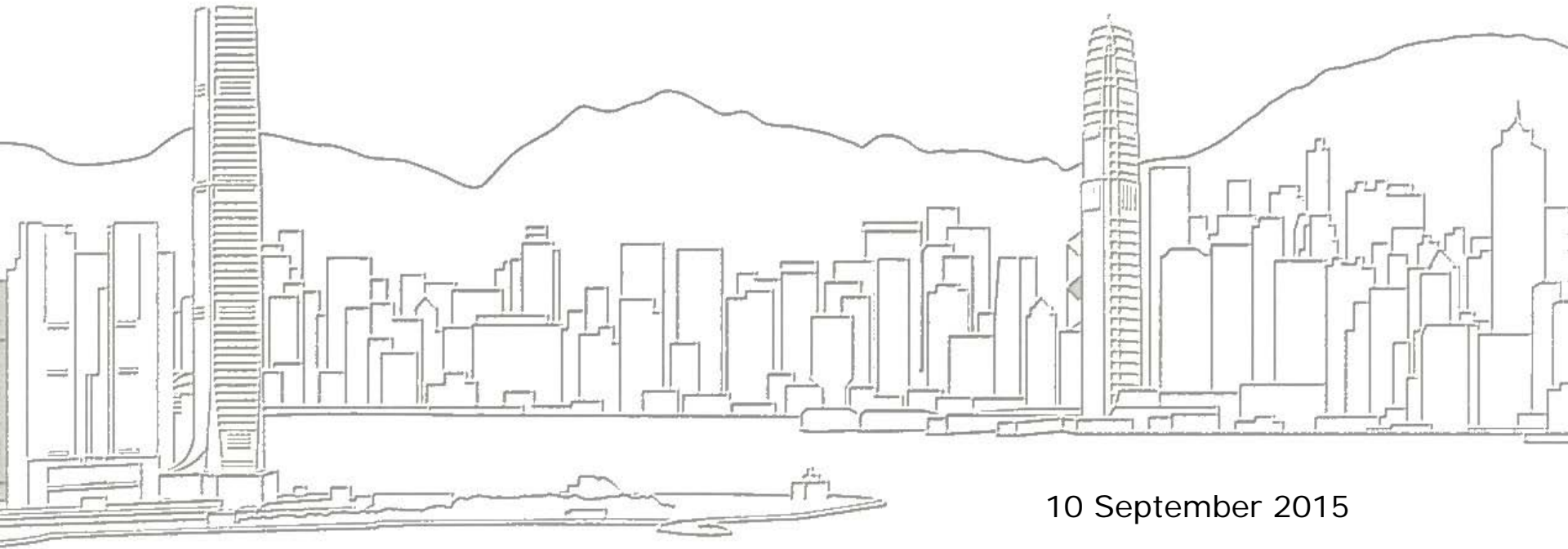




Sun Hung Kai Properties

Building Homes with Heart

Final Results - FY2015



10 September 2015

Contents

	Page
 Final Results Highlights	
▪ Results Summary	5
▪ Profit Breakdown By Segment	6
▪ Financial Position	7
 Business Overview	
A) Property Business – Hong Kong	
▪ Land Bank	9
▪ Property Development	11
▪ Property Investment	14
B) Property Business – Mainland	
▪ Land Bank	22
▪ Property Development	23
▪ Property Investment	26
C) Hotel Business	33
 Strategy and Prospects	
▪ Market Prospects	36
▪ Business Strategy	37
▪ Business Prospects	38

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Final Results Highlights



Results Summary

Year ended 30 June

	2015	2014	Change
Underlying net profit ⁽¹⁾ (HK\$ mn)	19,825	21,415	-7.4%
Underlying earnings per share ⁽¹⁾ (HK\$)	7.07	7.95	-11.1%
Reported net profit (HK\$ mn)	31,082	33,520	-7.3%
Reported earnings per share (HK\$)	11.09	12.45	-10.9%
Final dividend per share (HK\$)	2.40	2.40	-
Total dividend per share (HK\$)	3.35	3.35	-

Remarks:

(1) Excluding the effect of fair value changes on investment properties net of deferred taxation and non-controlling interests



Profit Breakdown By Segment⁽¹⁾

Year ended 30 June
(in HK\$ mn)

	2015	2014	Change
(1) Property rental			
Hong Kong	12,299	11,428	
Mainland	2,520	2,298	
Singapore	<u>533</u>	<u>546</u>	
Sub-total	15,352	14,272	+7.6%
(2) Property sales			
Hong Kong	4,571	7,568	
Mainland	2,764	2,915	
Singapore	<u>(3)</u>	<u>28</u>	
Sub-total	7,332	10,511	-30.2%
(3) Hotel operation	1,293	1,252	+3.3%
(4) Other businesses	<u>4,269</u>	<u>3,516</u>	+21.4%
Total (1)+(2)+(3)+(4)	28,246	29,551	-4.4%

Remarks:

(1) Including shares of Associates and JCEs



Financial Position

	30 Jun 15	31 Dec 14	30 Jun 14
Gearing Ratio⁽¹⁾	11.2%	13.8%	15.7%
Shareholders' Funds (HK\$ mn)	451,026	433,141	414,783
Net Debt (HK\$ mn)	50,571	59,658	65,203
	FY2015		FY2014
Interest Cover⁽²⁾	9.3x		11.1x

Remarks:

(1) Calculated on the basis of net debt to Company's shareholders' funds

(2) Measured by the ratio of operating profit to total net interest expenses including those capitalized



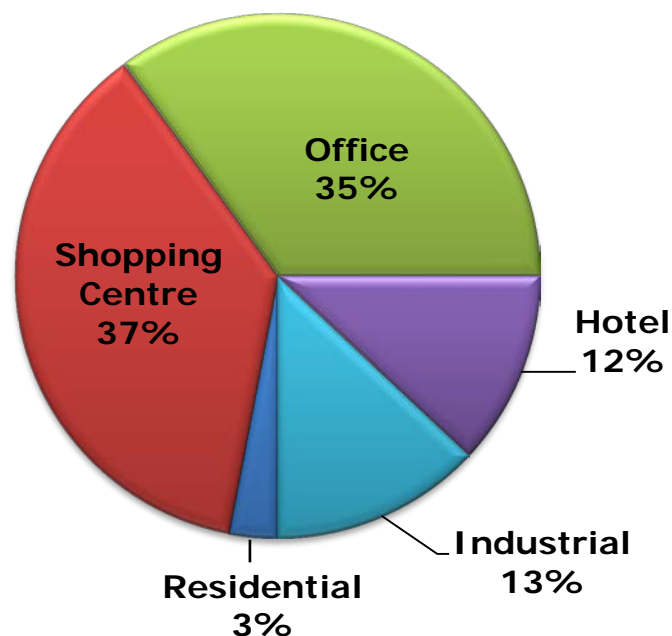
Property Business

Hong Kong

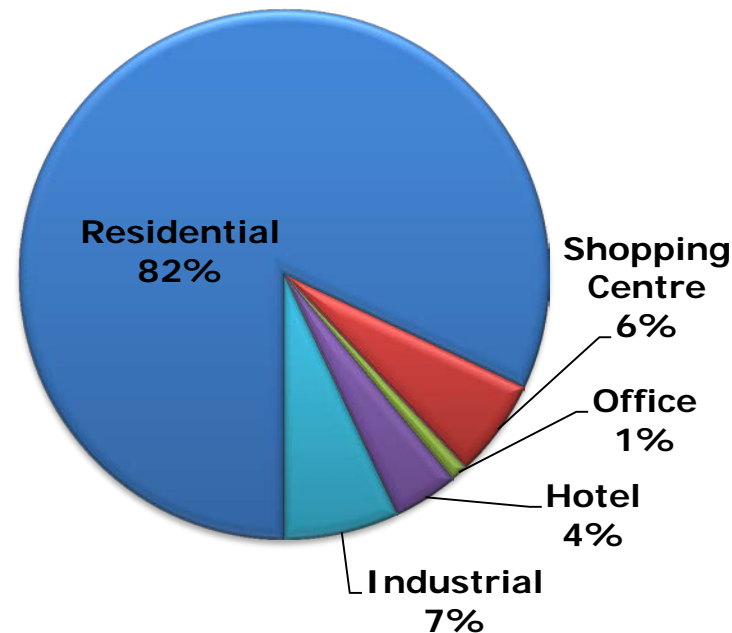


Land Bank

- Total land bank: 50.8mn sq.ft.⁽¹⁾⁽²⁾ (as at 30 June 2015)



Completed investment properties
Total: 28.7mn sq.ft.



Properties under development
Total: 22.1mn sq.ft.

Remarks:

(1) Excluding over 30mn sq.ft. (site area) of agricultural land

(2) Total land bank has been increased to 52.4mn sq.ft. after acquiring Ma Tau Kok and Yuen Long Station projects



Active Land Acquisitions

- 6 new sites were added in FY2015

Location	Group's Interest (%)	Usage	Attributable GFA (sq.ft.)
Tin Shui Wai Town Lot No. 33	100	R/S	1,219,000
Tin Shui Wai Town Lot No. 34	100	R/S	1,040,000
Tin Wing Station Development	JV	R/S	982,000
Tai Po Town Lot No. 225	100	R	901,000
Tuen Mun Town Lot No. 515	100	R	476,000
Tuen Mun Town Lot No. 539	100	R/S	307,000
Total			4,925,000

Key : R=Residential, S=Shops

- 2 sites were added through public tenders since July 2015
 - Ma Tau Kok Project (Total GFA: 105,000 sq.ft.)
 - Yuen Long Station Development (Total GFA: 1.5mn sq.ft.)



Property Development

- Over HK\$11bn property sales⁽¹⁾ were booked with satisfactory profit margins
 - W50
 - One Harbour Square
 - Twelve Peaks
 - The Cullinan
- Completed over 1mn sq.ft. of properties in Hong Kong during the year under review
- Average annual completion of residential GFA will exceed 3mn sq.ft. for the next 3 financial years

Remarks:

(1) Including shares of Associates and JCEs



Strong Contracted Sales

- Achieved nearly HK\$32bn of contracted sales during the year under review, from a wide range of products
 - Well exceeded full year target of HK\$25bn

Product Type	Projects
Small- to medium-sized units	<ul style="list-style-type: none">▪ The Wings IIIA▪ The Wings IIIB▪ Century Link Phase 1
Luxury projects	<ul style="list-style-type: none">▪ Ultima Phase 1▪ The Cullinan▪ Twelve Peaks▪ 50 Stanley Village Road▪ Deauville
Offices	<ul style="list-style-type: none">▪ W50▪ One Harbour Square

- Contracted sales since July 2015 have reached about HK\$5bn



Upcoming Major Launches

King's Hill

Stake: 92%

Location: Sai Ying Pun

Residential GFA: 71,000 sq.ft.

Park Vista Phase 1

Stake: 100%

Location: Yuen Long

Residential GFA: 747,000 sq.ft.

Tseung Kwan O
Town Lot No. 118

Stake: 100%

Location: Tseung Kwan O

Residential GFA: 483,000 sq.ft.

Tuen Mun Town Lot
No. 509

Stake: 100%

Location: Tuen Mun

Residential GFA: 141,000 sq.ft.

Grand YOHO Phase 1

Stake: 100%

Location: Yuen Long

Residential GFA: 801,000 sq.ft.



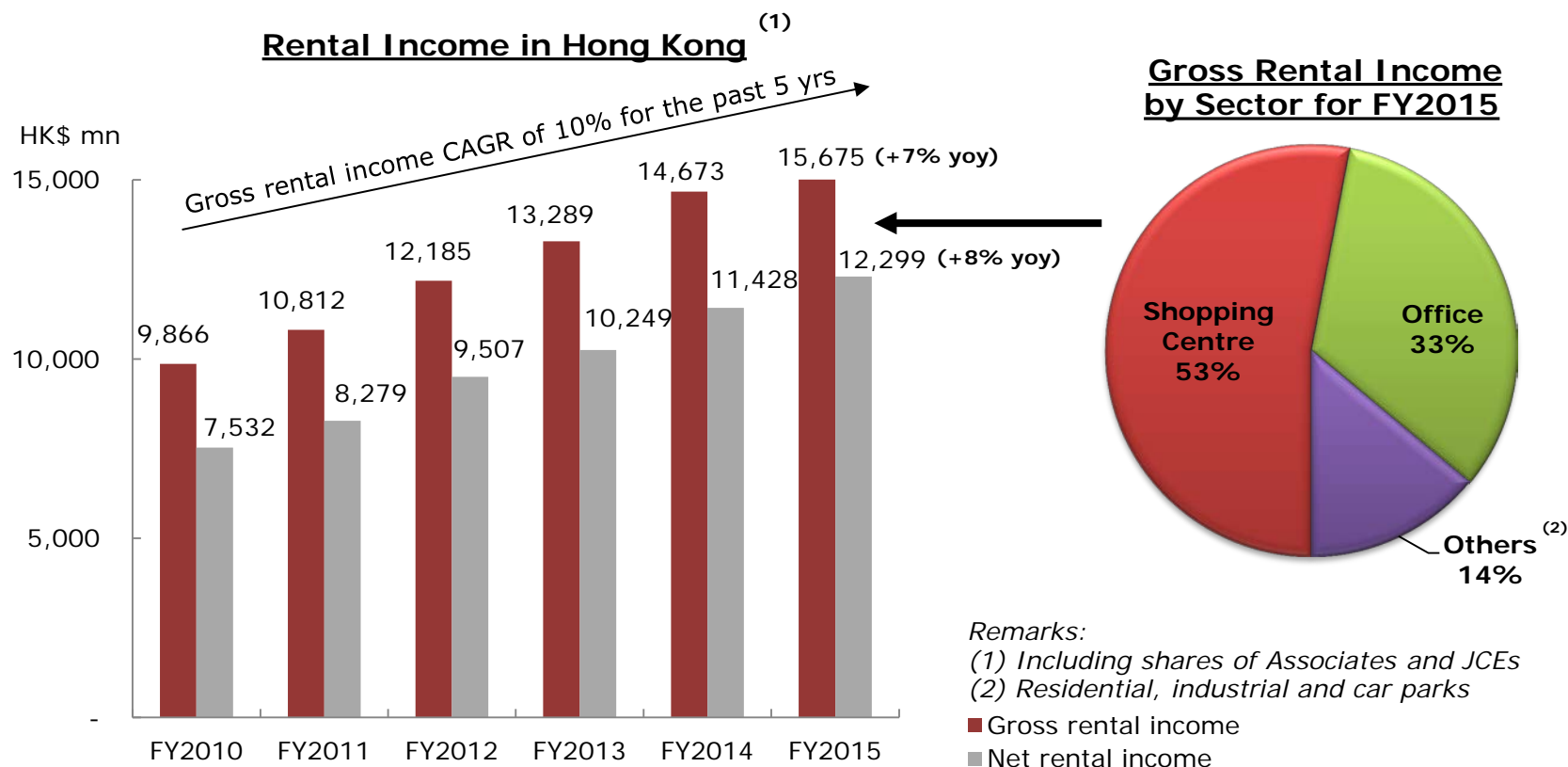
Property Investment

- Diversified portfolio of over 28.7mn sq.ft.
 - Primarily located along the railway lines
 - Constant upgrades with premium management services
 - Overall occupancy at around 95%
 - Positive rental reversions achieved
 - Provide steadily-growing rental income



Steady Rental Income Growth

- Gross rental income increased 7% yoy



Retail Portfolio

- Quality and diversified retail portfolio of over 10mn sq.ft. of GFA
 - Overall tenant sales growth at major malls outperformed the market with high occupancies and positive rental reversions
 - Regional malls, which mainly serve locals, continued to deliver satisfactory performances
- Gross rental income of over HK\$8bn, up over 8% yoy



Continuous Asset Enhancement Initiatives



- MOKO in Mong Kok
 - Reconfiguration recently completed
 - Improved traffic with new layouts and additional escalators
 - Strong growth in rental income
-

- APM in Kwun Tong
 - Conversion of over 150,000 sq.ft. of office space for retail use
 - Extensive greening project at podium garden



- Metroplaza in Kwai Fong
 - Renovation work commenced late last year
 - Initiatives included floor layout reconfiguration and indoor decor enhancement

Strong Pipeline for Future Expansion

- YOHO Mall in Yuen Long
 - About 1.1mn sq.ft. of GFA
 - Comparable to the scale of New Town Plaza in Sha Tin
 - Feature a 30,000-sq-ft outdoor gourmet promenade and a 120,000-sq-ft piazza
 - First phase with over 500,000 sq.ft. of GFA is fully leased and houses over 200 shops



Strong Pipeline for Future Expansion (Cont'd)

- PopWalk in Tseung Kwan O
 - Over 240,000 sq.ft. of retail space beneath the Group's developments in Tseung Kwan O
 - 66,000-sq-ft retail space at The Wings II
 - Encouraging pre-leasing responses
 - Open in 2Q2016
- Harbour North in North Point
 - Over 140,000 sq.ft. of retail space to be developed in two phases
- Nam Cheong Station Development
 - 300,000-sq-ft mall with extensive transport network



Office Portfolio

- Gross rental income of around HK\$5bn, up 5% yoy for the year
- 10mn sq.ft. of well-diversified office space continued to generate promising results
 - Occupancy of IFC improved and stayed high
 - Spot rents at ICC stayed at a high level
 - Millennium City cluster maintained its leading position in Kowloon East despite increased new supply



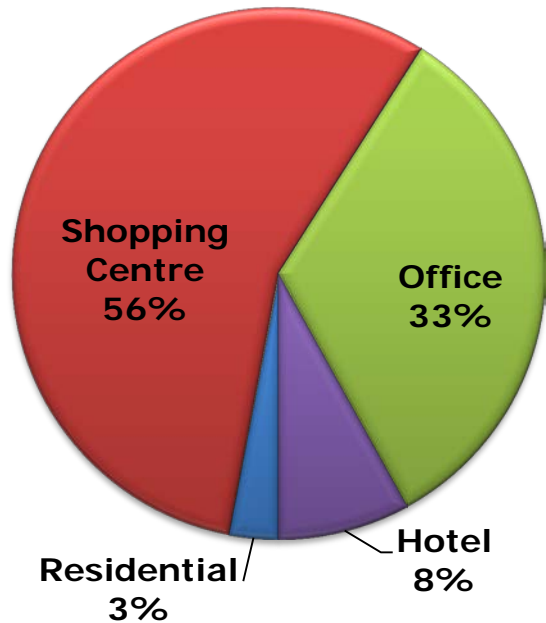
Property Business

Mainland

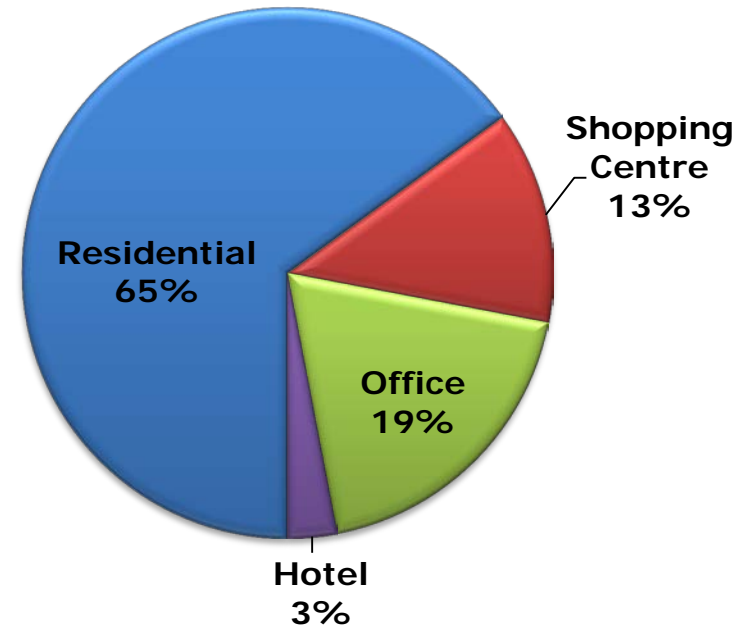


Land Bank

- Total land bank: 79.6mn sq.ft.⁽¹⁾ (as at 30 June 2015)



Completed investment properties
Total: 11.6mn sq.ft.



Properties under development
Total: 68.0mn sq.ft.

Remarks:

(1) Total land bank stood at 71.0mn sq.ft. after the Group has reduced its stake from 80% to 50% in Oriental Bund in July 2015



Property Development

- Completed about 7mn sq.ft.⁽¹⁾ of attributable GFA during the year
 - Around 28% of GFA are investment properties
- Booked over HK\$10bn property sales⁽¹⁾, mainly from
 - Forest Hills Phase 1A in Guangzhou
 - Shanghai Arch Phase 1
 - Top Plaza in Guangzhou
- Over HK\$4bn property sales yet to be recognized

Remarks:

(1) Including shares of Associates and JCEs, and only sales from units that have been handed over to buyers



Contracted Sales

- Contracted sales of over HK\$5.8bn for the year, mainly from

Shanghai Arch

Stake: 100%

Location: Shanghai

Shanghai Cullinan

Stake: 100%

Location: Shanghai

Top Plaza

Stake: 33.3%

Location: Guangzhou

The Woodland

Stake: JV

Location: Zhongshan

- Since July 2015, contracted sales have almost reached HK\$1bn



Upcoming Launches

Shanghai Arch Phase 1 (new batch)	Stake: 100%
	Location: Shanghai
	Remaining Residential GFA: 81,000 sq.ft.
Shanghai Cullinan (new batch)	Stake: 100%
	Location: Shanghai
	Remaining Residential GFA: 148,000 sq.ft.
GCC (Guangzhou Commerce Centre)	Stake: 70%
	Location: Guangzhou
	Attr. Office GFA: 254,000 sq.ft.
Oriental Bund (new batch)	Stake: 50%
	Location: Foshan
	Attr. Residential GFA: 400,000 sq.ft.



Property Investment

- About 11.6mn sq.ft. attributable GFA of completed investment properties mainly in prime cities
 - Strong presence in Shanghai
- Positive reversions with high occupancy
- Gross rental income up by 9%⁽¹⁾ yoy to HK\$3.3bn⁽²⁾ in FY2015
 - Accounted for around 17% of the Group's total gross rental income

Remarks:

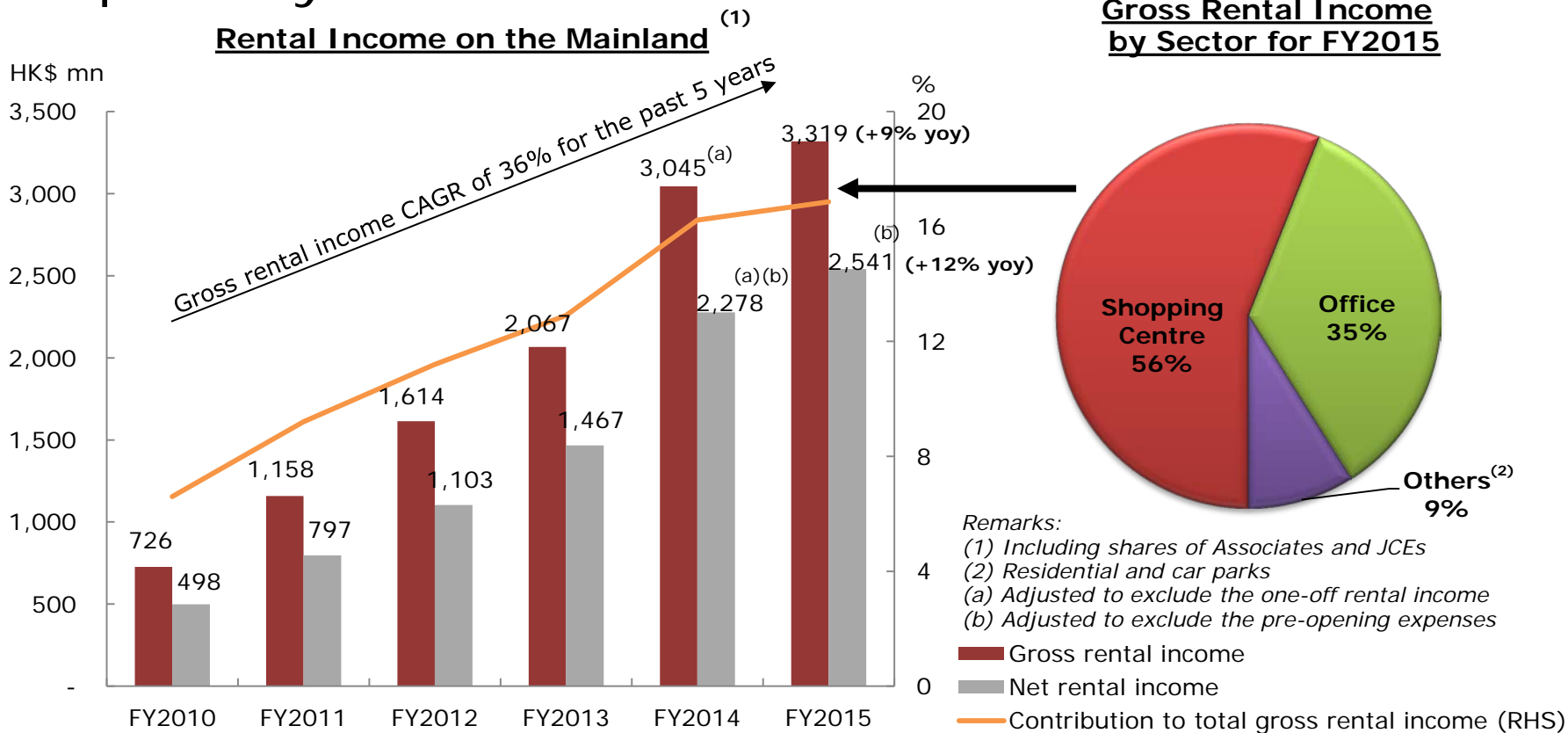
(1) Excluding one-off rental income adjustment of HK\$67m due to modification in lease structures finalized in 1H FY2014

(2) Including shares of Associates and JCEs



Growing Rental Income

- Achieved strong rental income growth in the past 5 years



Shanghai IFC in Pudong



- Office: 1.6mn sq.ft. (Attr. GFA)
 - Both office towers were fully occupied
 - Prime location in the Lujiazui Finance and Trade Zone, benefiting from the expansion of the free trade zone
-



- IFC Mall: 1.2mn sq.ft. (GFA)
 - Virtually fully leased
 - Healthy growth in both footfall and tenant sales
 - Internal renovation and construction work on external connections are ongoing

Shanghai ICC in Puxi



- Office: 1.3mn sq.ft. (GFA)
 - High occupancy in One ICC
 - Leasing of Two ICC is progressing smoothly with tenants starting to move in
-



- IAPM Mall: 1.3mn sq.ft. (GFA)
 - Fully leased
 - Both traffic flow and tenant sales experienced strong growth since opening 2 years ago

Xujiahui Centre Project in Shanghai

- 7.6mn sq.ft. integrated project directly linked to Xujiahui metro station
- Footbridges will be built to connect the whole project and nearby major properties
- Superstructure of Lot 1 will be topped out by end of 2015
 - Pre-leasing of both office and retail space has begun
- Foundation works of Lot 2 have commenced



New Malls in Guangzhou



- Parc Central
 - Stake: 50%
 - Attr. GFA: 431,000 sq.ft.
 - Location: Tianhe District
 - Encouraging pre-leasing response
 - Open in 1H2016
-



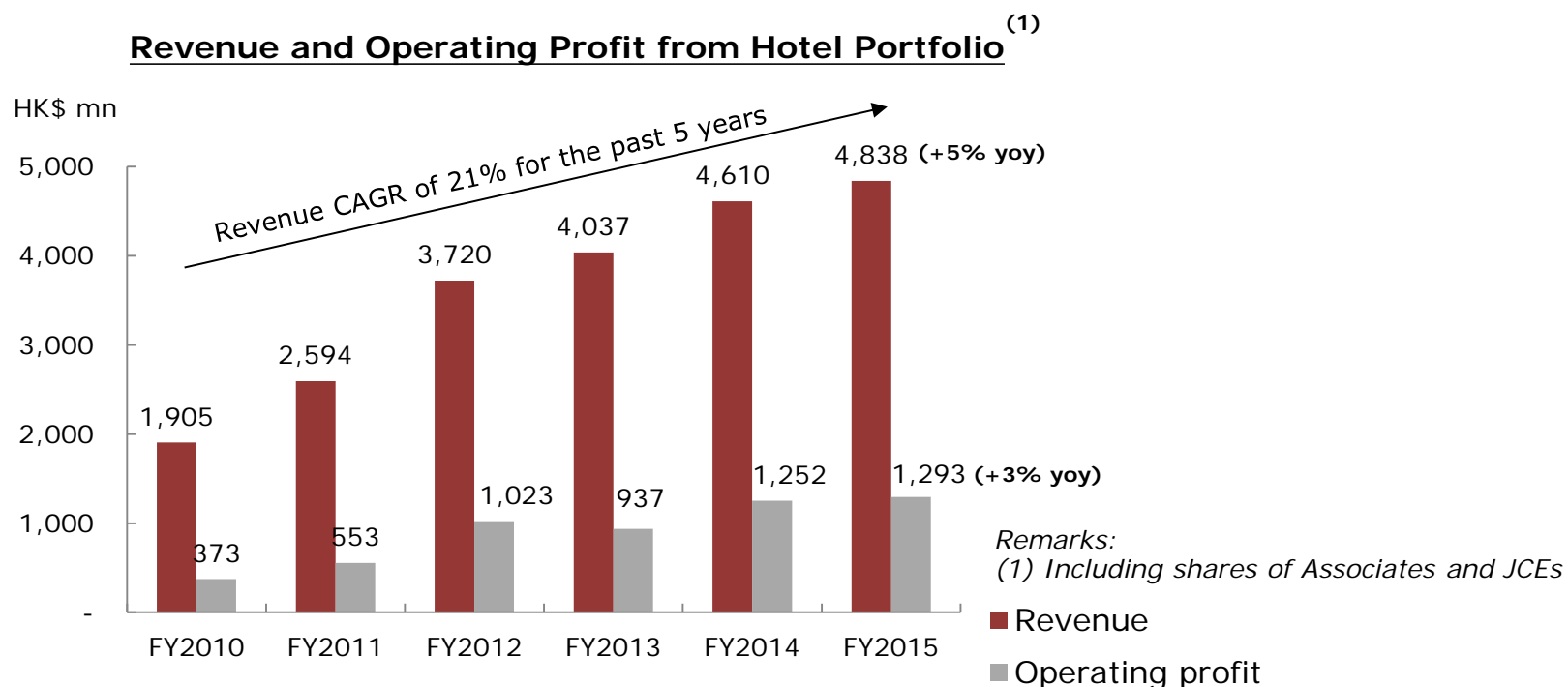
- IGC (International Grand City)
 - Stake: 33.3%
 - Attr. GFA: 332,000 sq.ft.
 - Location: Zhujiang New Town
 - Pre-leasing has been progressing well
 - Open in 2016

Hotel Business



Hotel Business

- Full-year growth of hotel business was affected by sluggish Hong Kong tourism sector in recent months



Hotel Business (Cont'd)

- Sustained high full-year occupancy at hotels in Hong Kong
 - Proactive promotion and marketing initiatives amid the challenging environment in recent months
- The Ritz-Carlton Shanghai, Pudong continued to perform well
 - Higher room rate and occupancy
- Hotel network expansion
 - Waterfront hotel in North Point
 - Premium hotel in Sha Tin



Strategy and Prospects



Market Prospects

- Hong Kong
 - The primary residential market is likely to remain active, particularly in the segment of small- to medium-sized units
 - Leasing demand for grade-A offices remains healthy while regional malls serving mainly locals will continue to outperform those targeting tourists
- First-tier cities in Mainland China
 - The residential market is likely to continue to perform well
 - The leasing demand for grade-A offices and shopping malls with quality management is expected to remain steady



Business Strategy

- Group's long-term strategies
 - Adhere to a balance of income from property development for sale and rental business
 - Continue to enhance the Group's brand with quality products and excellent services
 - Remain selective with focused approach to investment on the mainland
 - Observe strictly the discipline of prudent financial management



Business Prospects

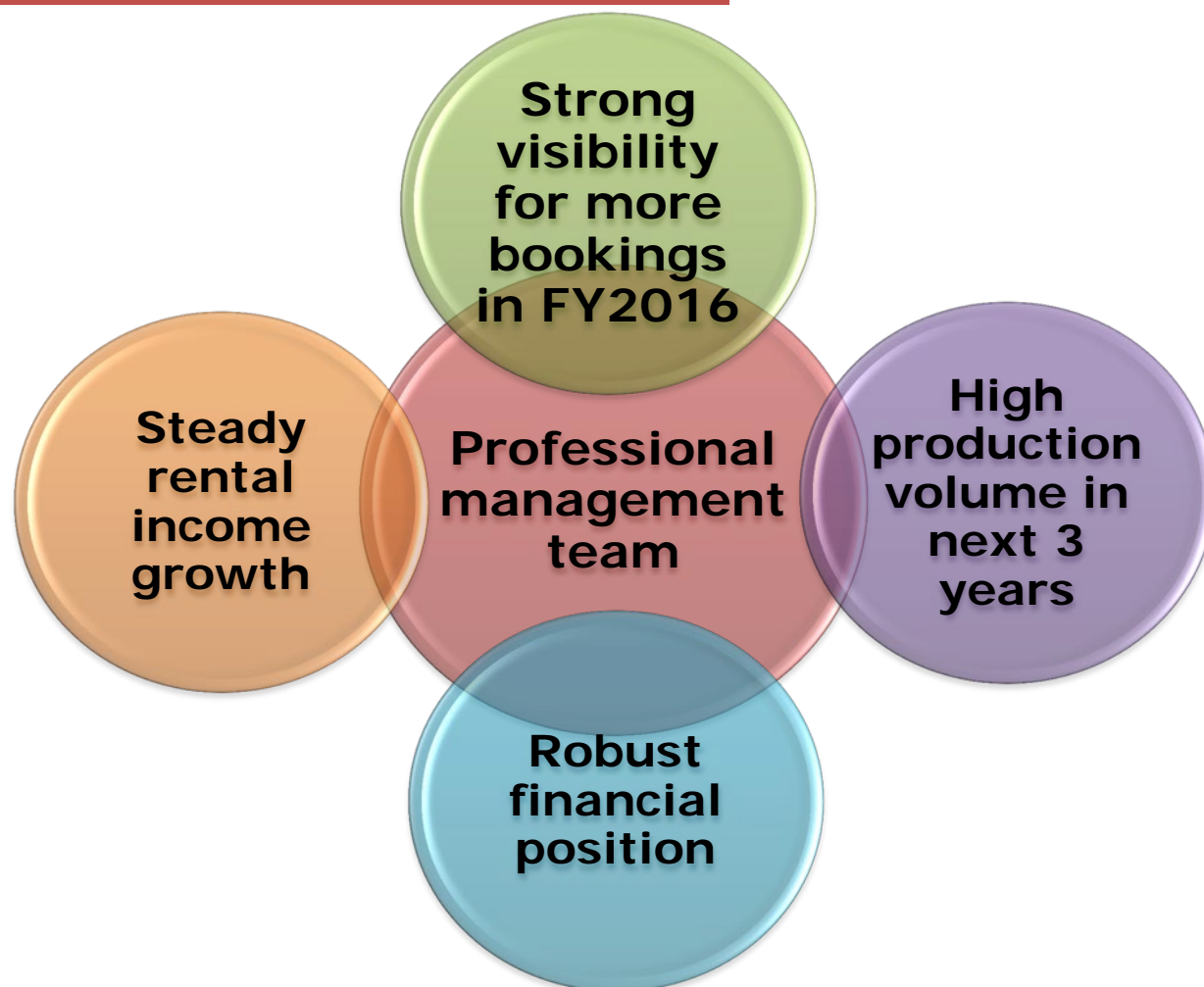
- Property Development – Promising Outlook
 - Strong property sales in Hong Kong to be recognized
 - Over half of residential units to be completed in FY2016 already sold
 - Rising production volume expected
 - Higher level of average annual residential completion for the next 3 years (over 3mn sq.ft. p.a.)
 - Abundant saleable resources with a wide range of flat mix
 - Well positioned to acquire land given strong financial position while upholding prudent financial discipline



Business Prospects (Cont'd)

- Property Investment – Strong Pipeline
 - Strong pipeline of new investment properties for future rental income growth
 - Over 1.7mn sq.ft. of retail space will be opened in the coming 2 to 3 years
 - Expect positive rental reversion with sustained high occupancy
 - Ongoing asset enhancement initiatives
 - Proactively and selectively seek opportunities for non-core asset disposals

Business Prospects – A Recap





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Q&A

