



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

Stock Code: 12

2020 Interim Results

August 2020

"H Zentre", Tsim Sha Tsui, HK



Kai Tak NKIL No. 6565 Phase 1, HK



"Harbour East", North Point, HK

"Lumina Guangzhou", Yuexiu District

"Hengxu Hui", Huaihai Middle Road, Shanghai

"Lumina Shanghai", Xuhui Riverside

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2020 Interim Results Highlights



Unaudited	1H 2020 HK\$ mn	1H 2019 HK\$ mn	Change
Property Development (Attributable Pre-tax Underlying Profit) [☆]	3,189[#]	1,107	+188%
Gain from Sales of Property Interests (Attributable Pre-tax Underlying Profit) ^ψ	43	1,366 [§]	-97%
Property Leasing (Attributable Pre-tax Net Rental Income) [☆]	3,321	3,585	-7%
HKCG[^] - Share of Net Profit(after tax) (utility and energy business only)	1,369	1,507	-9%
Profit attributable to Shareholders			
Underlying profit (excluding fair value change of investment properties ^Δ)	5,182	6,702	-23%*
Reported profit	2,834	7,515	-62%
Earnings per share (HK\$)			
Based on underlying profit	1.07	1.38	-22%
Based on reported profit	0.59	1.55	-62%
Interim Dividend per share (HK\$)	0.50	0.50	Flat

Notes

* Underlying Profit attributable to Shareholders showed a decrease being partly resulting from differences period-on-period recorded under net fair value results in the Group's investment in financial assets in units of Sunlight REIT (see Revenue and Profit section of Financial Review) and also in respect of the Group's attributable losses in other businesses of HKCG as well as the Group's attributable losses in hotel operations (see Note 10 of Segment Reporting of Condensed Interim Financial Statements).

☆ 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 1H 2020 should be HK\$3,189mn

^ 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 interests in joint ventures which collectively own No. 8 Observatory Road, an investment property

ψ Sales of Property Interests include gains on transfers 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 period

Δ The attributable share of the aggregate fair value change during the period (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 period were added back in the calculation of the underlying profits.

2020 Interim Results Highlights (cont'd)



	Unaudited 30 Jun 2020	Audited 31 Dec 2019	Change
HK\$ mn			
Shareholders' equity	315,609	320,851	-1.6%
Cash and bank balances	10,813	10,734	+0.7%
Net debt	89,093	81,655	+9.1%
HK\$			
Net asset value per share [^]	65.20	66.28	-1.6%
Net debt to Shareholders' equity	28.2%	25.5%	+2.7 percentage points

[^] The net asset value per share at 30 Jun 2020 was calculated based on the number of issued shares outstanding at 30 June 2020, whilst the net asset value per share at 31 December 2019 was calculated based on the number of issued shares outstanding at 31 December 2019.

2020 Interim Results Highlights (cont'd)



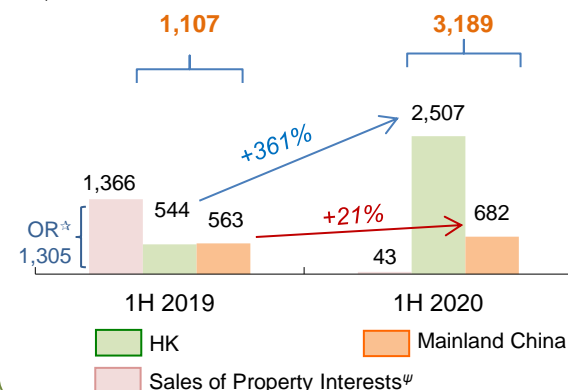
Property Development* & Sales of Property Interests^ψ

Property Development Revenue:
HK\$8,289 mn + 70% p-o-p

Pre-tax Underlying Profit*

(from Property Development & Sales of Property Interest)

HK\$ mn

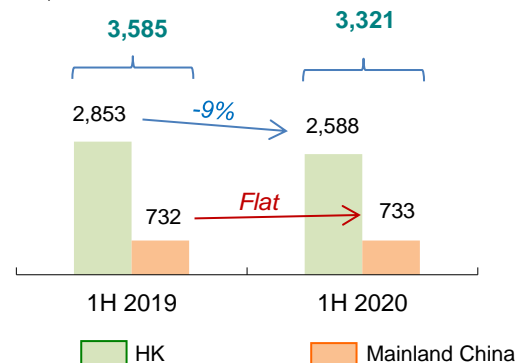


Property Leasing*

Gross Rental Income:
HK\$ 4,391 mn - 4% p-o-p

Pre-tax Net Rental Income*

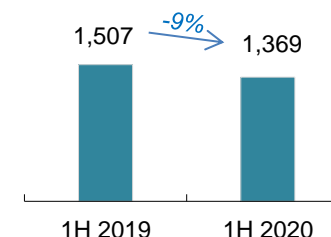
HK\$ mn



HKCG[^]

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

HK\$ mn



- ✓ Properties sold and pre-sold (attributable to HLD) in 1H 2020: **HK\$5,016 mn** (1H 2019: HK\$12,219 mn)
 - HK: HK\$2,832 mn (1H 2019: HK\$7,881 mn) inclusive of Sales of Development Properties & Sales of Property Interests
 - Mainland China: HK\$2,184 mn (1H 2019: HK\$4,338 mn) in respect of Sales of Development Properties
- ✓ **Abundant** Cumulative proceeds from property sales (attri. to HLD but not yet accounted for): **HK\$ 25,001 mn** as of 30 June 2020
 - HK: HK\$14,924 mn (incl. Wo Shang Wai Transaction[#])
 - Mainland China: HK\$10,077 mn
- ✓ Dividend declared by HKCG[^] for 1H 2020 attributable to HLD: **HK\$886 mn** (↑ 5% p-o-p)

* 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.

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

^ψ Represents the underlying profit contribution from the transfer of interests in joint ventures holding the commercial property at 8 Observatory Road, Tsim Sha Tsui in FY2019

[^] 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 transfers 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 period, 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 (Completed in Jul 2020)

- Consideration: HK\$4,705 mn (subject to adjustments)
- Realized Gain: HK\$3,686 mn attri. to underlying profit in 2H 2020



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 transfers of interests in 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 period, 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 FY2018

Transaction completed in July 2020

Transactions completed in FY2017

Transaction completed in FY2019

Property Development Business



- Unsold stock from residential and commercial-cum-residential projects provides substantial future saleable resources
- One Residential Project was completed in 1H 2020 with total attributable GFA of 135,352 sq. ft. (FY2019: 1,341,396 sq.ft.)

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					No. of Unsold Units as at 30/6/20	Anticipated Completion
					2016	2017	2018	2019	1H 2020		
Aquila • Square Mile, Mong Kok	C/R	100%	488	May 20	n.a.	n.a.	n.a.	n.a.	78	410	2H 21
The Richmond, Mid-levels	C/R	100%	90	Jan 20	n.a.	n.a.	n.a.	n.a.	76	14	2H 21
The Addition, Cheung Sha Wan	C/R	100%	200	Apr 19	n.a.	n.a.	n.a.	163	11	26	1H 21
The Vantage, Hung Hom	C/R	100%	551	Mar 19	n.a.	n.a.	n.a.	534	3	14	1H 21
Reach Summit, Yuen Long	R	79.03%	504	Oct 18	n.a.	n.a.	129	354	4	17	Completed prior to 30 Jun 2020
Cetus • Square Mile, Mong Kok	C/R	100%	514	Jun 18	n.a.	n.a.	416	3	0	95	
NOVUM WEST, Sai Ying Pun	C/R	100%	645	Mar 17	n.a.	295	256	79	9	6	
South Walk • Aura, Aberdeen	C/R	100%	142	Mar 18	n.a.	n.a.	113	2	0	27	
NOVUM EAST, Quarry Bay	C/R	100%	464	Oct 17	n.a.	55	237	125	19	28	
Eden Manor, Kwu Tung	R	100%	590	Mar 17	n.a.	195	97	24	11	263	
Seven Victory Avenue, Ho Man Tin	C/R	100%	250	Sep 16	110	84	28	21	4	3	
Wellesley, Mid-Levels West	R	50% ^ψ	90	Jan 16	22	0	0	0	0	28	
PARKER33, Shau Kei Wan	C/R	100%	234	Aug 15	87	19	2	0	0	2	
Double Cove (Ph. 1-5), Ma On Shan	C/R	59%	3,535	Sep 12	493	152	31	10	31	44	
The Reach, Yuen Long	R	79.03%	2,580	Oct 12	6	13	6	0	0	3	
Others [✕]	C/R				638	260	77	8	2	4	
Total					1,356	1,073	1,393	1,324		984 @ 823,881 sq.ft.	

520 units were completed with OP as of 30 Jun 2020

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

[✕]Others 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.

End of 2019: <653 @ 774,755 sq.ft.>



Recent Pre-sale Launches (As at mid-August 2020)

- Urban – Hong Kong Island:



Aquila • Square Mile, Mong Kok (100% owned)

Total no. of units	488
Presale launched in May 2020	102 units successfully pre-sold
Average Selling Price (Net)	Approx. HK\$ 24,500 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	492 units successfully pre-sold (over 97% pre-sold)
Average Selling Price (Net)	Approx. HK\$16,200 psf of Saleable Area
Completion	Completed in 1H 2020



Property Development Business (cont'd)



■ Sale pipeline of new projects in Hong Kong for 2H 2020 (as at 30 June 2020)

Project name and location	Usage*	HLD's interest	No. of R* units	Attri. GFA/ Saleable Area (sq. ft.)*		Anticipated Completion
				C	R	
① The Royale 8 Castle Peak Road, Castle Peak Bay, Tuen Mun Phase 1, Seacoast Royale (Sale launched in Aug'20)	R	16.71%	611	-	34,075 (Saleable)	1H 22
Phase 2 [#]	R	16.71%	614	-	39,664	1H 22
Phase 3 [#]	R	16.71%	557	-	32,397	1H 22
② Lot No. 1752 in DD No. 122, Tong Yan San Tsuen, Yuen Long	R	100%	16	-	27,868	Completed
③ 1 Chung Ching Street, Sai Ying Pun	C/R	100%	264	10,938	79,161	2H 21
④ 65-71 Main Street, Ap Lei Chau	C/R	100%	138	4,194	36,163	1H 22
⑤ 2 Tak Shing Street, Tsim Sha Tsui	C/R	100%	172	9,939	79,598	1H 21
⑥ Phase 1, New Kowloon Inland Lot No. 6565, Kai Tak [#]	C/R	100%	479	24,251	258,199	1H 22
			Total	2,851	49,322	587,125
					Total GFA attributable to HLD for sale	587,125

- Together with unsold stock from residential and commercial-cum-residential projects, a total of **around 3,800 residential units** and, separately, around 240,000 sq. ft. of industrial/office properties will be available for sale in 2H 2020

*C = Commercial; R = Residential.

[#] Pending the issue of pre-sale consent

■ in New Territories

■ in Kowloon

■ on Hong Kong Island

Projects for Sale in 2H 2020

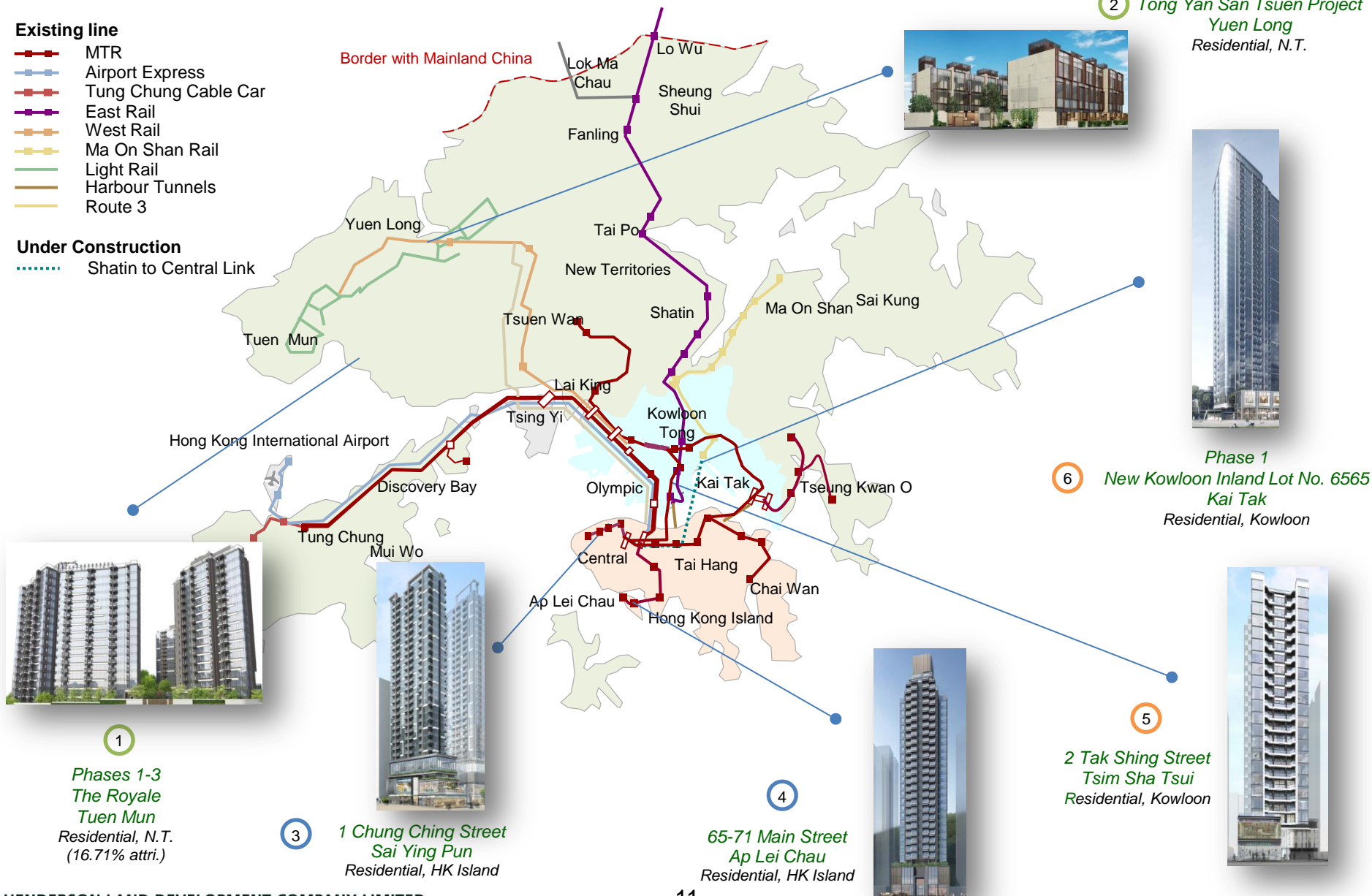


Existing line

- MTR
- Airport Express
- Tung Chung Cable Car
- East Rail
- West Rail
- Ma On Shan Rail
- Light Rail
- Harbour Tunnels
- Route 3

Under Construction

- .-.- Shatin to Central Link



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	2H 2020	2021 – 22	2022 or onwards	Total
Launched developments remaining inventories <i>(Note 2) – P.8</i>	–	0.82	–	–	0.82
New projects for sale/ pre-sale in 2H 2020 <i>(Note 2) – P.10</i>	–	0.59	–	–	0.59
Yau Tong Bay Project (0.91) 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.14</i>	0.06	–	2.39	–	2.45
Newly-acquired urban redevelopment projects with <u>80% or above ownership</u> <i>(Note 3) – P.14</i>	–	–	–	1.79	1.79
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	–	–	–	0.47
2 projects in Fanling North NDA and Kwu Tung North NDA – P.18	–	–	0.61	0.31	0.92
Sub-total	0.53	1.41	4.76	3.02	Approx. 9.72
Newly-acquired urban redevelopment projects with over 20% but less than 80% ownership which are subject to acquisition of full ownerships – P.14	–	–	Saleable resources @ 2.38 p.a.	–	0.7
3 land plots in Fanling North NDA which are subject to finalisation of land premium – P.18	–	–	–	–	3.5
Others	–	–	–	–	0.5
Development Land Bank - Total					Approx. 14.4

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

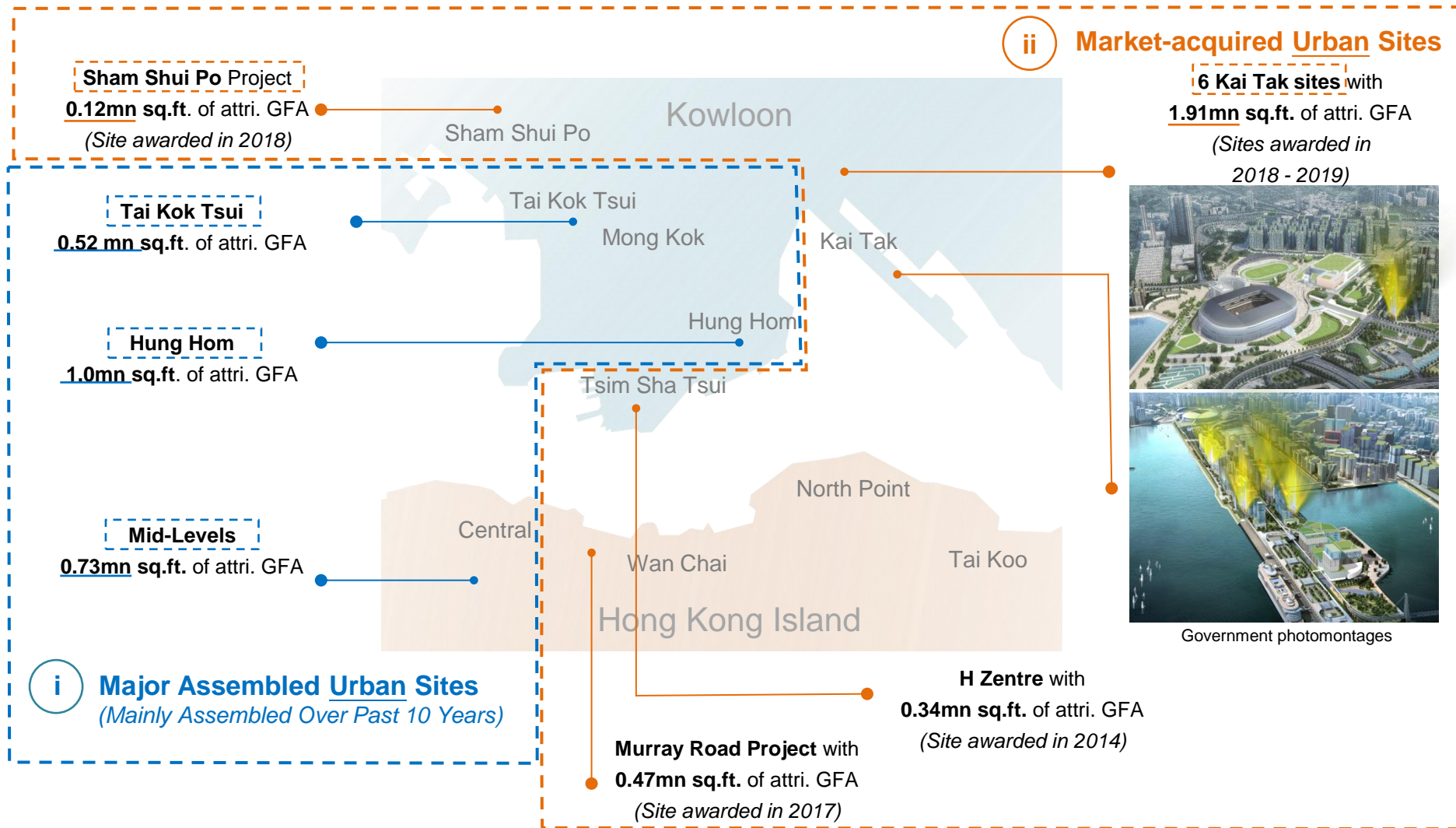
2. For those launched projects, the area of their residential portions is calculated on saleable basis.

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.

End of 2019: <14.6>



i Major Assembled Urban Sites + ii Public Tender / Market-acquired Urban Sites

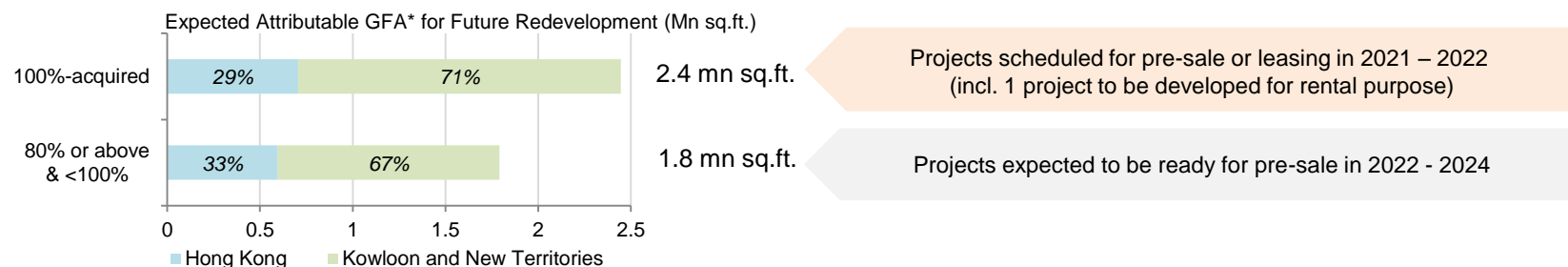




i Site Assembly transforms to Large Land Bank in Urban Area

- As at 30 Jun 2020, the Group had **25** projects with at least 80% ownership acquired and expected total attri. GFA of 4.24mn sq.ft.*

Ownership Secured as at 30 June 2020



Estimated acquisition costs for the old buildings (expected total attri. GFA: **4.24 mn sq. ft.***) with entire or over 80% ownership acquired: HK\$37.3 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 85%, "hard cost" amounts to approximately HK\$15,500 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\$17,300** psf in saleable area terms.*

<< Reference: **HK\$29,000 psf** for NOVUM WEST, Hong Kong; **HK\$24,500 psf** for Square Mile, Kowloon >>
<< **HK\$32,000 psf** for The Richmond, Mid-levels, Hong Kong >>

- 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.)

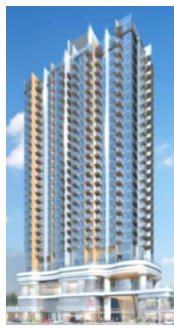
* The gross floor area (GFA) figures are calculated based on the Building Department's approved plans or Government's latest city planning parameters, and the Group's development plans.



i Land Bank in Urban Area Acquired by Site Assembly



Aquila • Square Mile
Under Construction
(Pre-sale launched in May 2020)



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



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



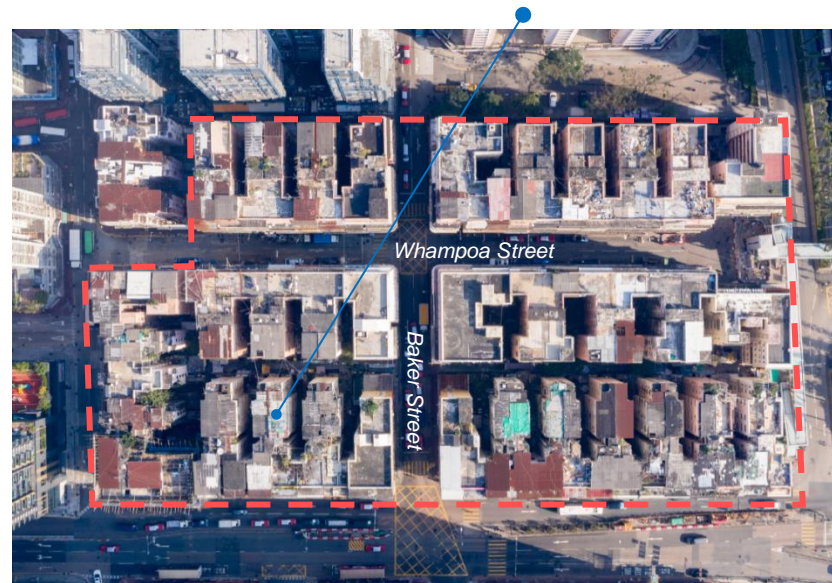
High Floors with Seaview



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

~1mn sq.ft.^ of attri. GFA of which 0.52mn sq.ft. not yet launched for sale/pre-sale

Avg. Land Cost **\$7,400 psf** GFA; Recent Comparable Sales @ [\$24,000] psf SFA



Hung Hom Cluster*

over 1mn sq.ft. of attri. GFA

Avg. Land Cost **\$7,200 psf** GFA; Near-term at around T.K.T. sale price

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 from Public Tender / Market Acquisition

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, 4A-2 (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, 4C-2 (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, 4B-1 (acquired via Gov. Public Tender)	1H 2019	R	30%	216,618 sq. ft.	HK\$2,968mn (Approx. HK\$13,702 psf)
Kai Tak NKIL No. 6574, 4B-3 (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 Plot Holdings in New Territories

Include substantial land holdings in New Development Areas (“NDAs”)

Wo Shang Wai Land Lots

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

0.89mn sq.ft. of attri. GFA)

<Transaction Completed in Jul 2020>

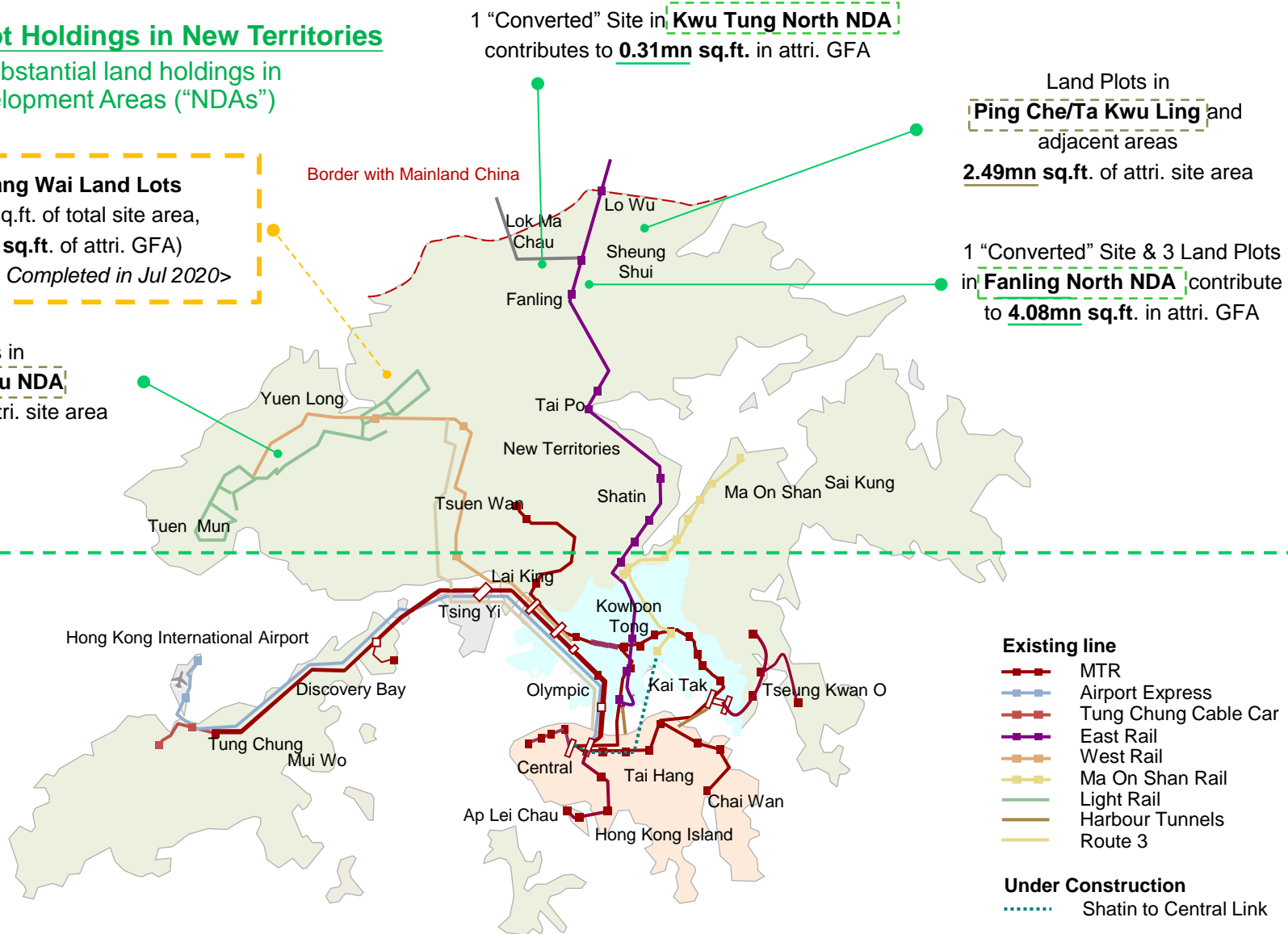
Land Plots in
Hung Shui Kiu NDA

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
2.49mn 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





iii Land Plots in New Territories evolving to become “New Urban Centres”

- At 30 Jun 2020, land plot holdings in New Territories amounted to approx. 45.3 mn sq. ft. (end of 2019: approx. 44.9 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 plot holdings (mn sq.ft.)	From Acquisition	Land Exchange/ Govt. Resumption	Remaining
• 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. attributable 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 land plots) <Added Area 0.1mn sq.ft.>	709,000 in Fanling North	3,470,000	In-situ land exchange application made to the Government
Total:	~939,745	~4,387,973	

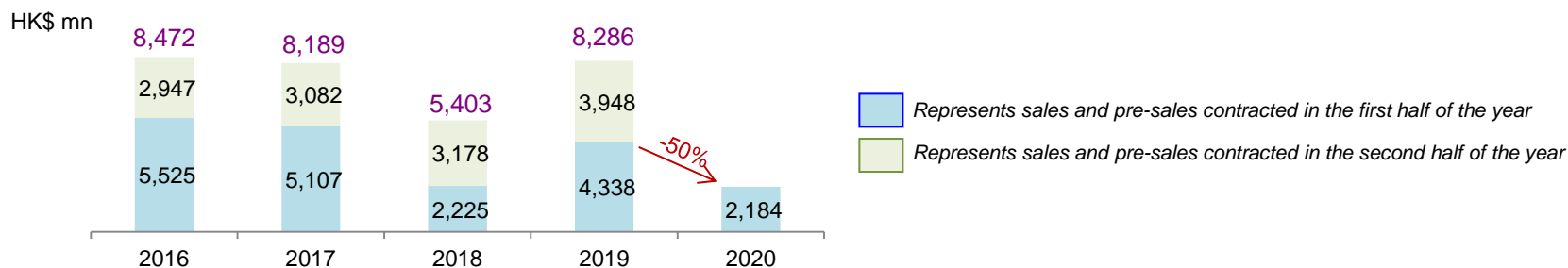


■ Property Development in Mainland China

- Ongoing phases of 5 Development Projects were completed in 1H 2020 with total attributable GFA of approx. 4.58 mn sq.ft. (1H 2019: 1.17 mn sq.ft.)
- Property with debut launch or new phase launched for sale/ pre-sale and other projects with significant sales / pre-sales in 1H 2020

City	Project name and location	HLD's interest
Beijing	Lake Mansion (祥雲賦)	24.5%
Changsha	Phase 3 & 4, The Landscape (湖山賦)	50%
Hefei	Xuheng Huayuan (旭恒花園)	50%
Shanghai	Nanhui New Town Project (綠地泊景雅園)	16%
Suzhou	Xukou Project (弘庭)	50%
Xian	Phase 1R1, La Botanica (御錦城)	50%

Properties Sales & Pre-sales contracted for in Mainland China



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

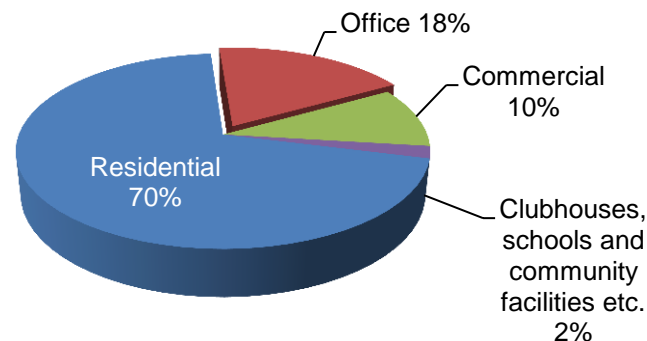
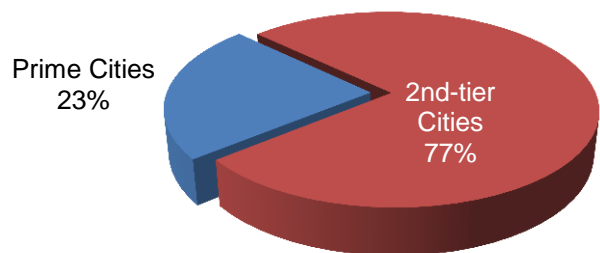


■ Property Development in Mainland China

- Projects with significant sale/ pre-sale in 2H 2020

City	Project name and location	HLD's interest
Beijing	Lake Mansion (祥雲賦)	24.5%
Changsha	The Landscape (湖山賦)	50%
Chengdu	Lot B3-T3 (B05) & T4 (B06) , The Arch, Chengdu ICC (成都環貿廣場－凱旋門)	30%
Guangzhou	Central Manor (建發九龍倉央璽)	18%
Hefei	Xuheng Huayuan (旭恒花園)	50%
Suzhou	Xukou Project (弘庭)	50%
Xian	La Botanica (御錦城)	50%

■ Development Land Bank with total attributable GFA of about 27.35mn sq.ft. (end of 2019: 31.86mn sq.ft.)



Property Investment Business



Growing Rental Income from Investment Properties

■ Investment Property Portfolio and Completion Pipeline:

	As at 30 Jun 2020	2H 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	7.33mn sq.ft.	• Lumina Shanghai Ph.1 • Lumina Guangzhou Ph.1 Retail < + 2.9mn sq.ft. to est. 10.2mn sq.ft. >	• Lumina Shanghai Ph. 2 • Lumina Guangzhou remaining phases • Hengxu Hui, Shanghai	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	
	1H 2020	1H 2019	RMB	HKD	1H 2020	1H 2019	RMB	HKD
(HK\$ mn)								
Hong Kong	3,490	3,666		-5%	2,588	2,853		-9%
Mainland China	901	923	+1%	-2%#	733	732	+3%	(Flat#)
Total	4,391	4,589		-4%	3,321	3,585		-7%

The mild decrease in Gross Rental Income and the flattish increase in Net Rental Income in HK\$ terms is partly due to the 5% year-on-year depreciation of RMB against HKD (based on the average RMB/HKD exchange rate of 1H 2020 vs. 1H 2019)

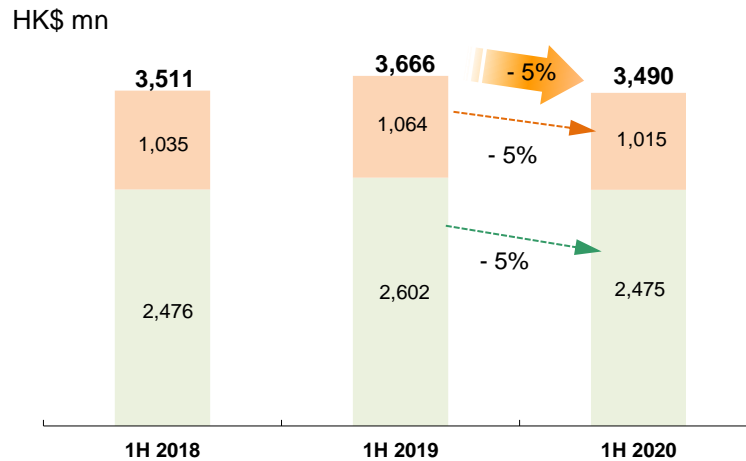
*All the above figures represent the Group's attributable share of contributions (before taxation) from investment properties held by subsidiaries, associates and joint ventures. Net rental income is stated before taxation.



Rental Income from Investment Properties in Hong Kong

- Average leasing rate for the Group's major rental properties in Hong Kong as at 30 June 2020: 96% (end of 2019: 97%)
- At 30 June 2020, 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 (1H 2019: 40.77%)



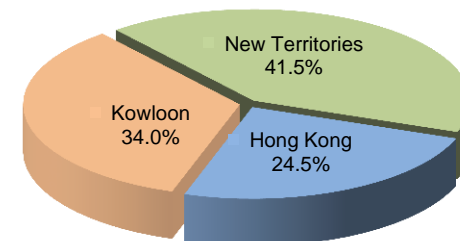
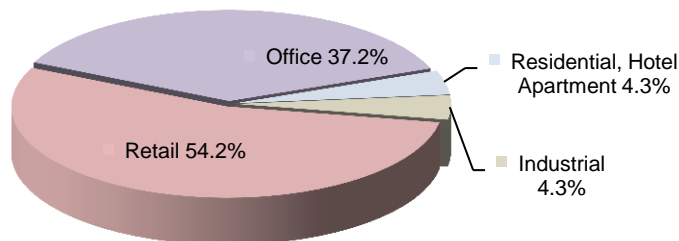
ifc (40.77% owned)

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 30 June 2020 (end of 2019: 9.4mn sq.ft.)





New Investment Properties and Pipeline in Hong Kong

Investment Properties Pipeline	GFA (sq.ft.)	Anticipated Handover Date
"H Zentre" , Tsim Sha Tsui Commercial & Medical Hub project <i>(100% owned)</i> 	Total: approx. 340,000 sq.ft. <i>of which</i> Commercial & Medical: approx. 236,000 sq.ft.	<u>Completed</u> * \$[50] psf GFA/mth <i>(Non-retail)</i>
"Harbour East" , North Point Grade-A office building <i>(100% owned)</i> 	Total: approx. 144,000 sq.ft. <i>of which</i> Office: approx. 130,000 sq. ft. Retail: approx. 14,000 sq.ft.	<u>Completed</u> * \$[45] psf GFA/mth <i>(Office)</i>
206-212 Johnston Road , Wanchai Office Redevelopment Project <i>(100% owned)</i> 	Total: approx. 64,920 sq.ft. <i>of which</i> Office: approx. 38,000 sq. ft. Retail / F&B: approx. 26,700 sq.ft.	Early 2021 * \$[35-40] psf GFA/mth <i>(Office)</i>
Murray Road Project , Central Grade-A office tower <i>(100% owned)</i> 	Total: approx. 465,000 sq.ft.	2023 Year End/ Early 2024



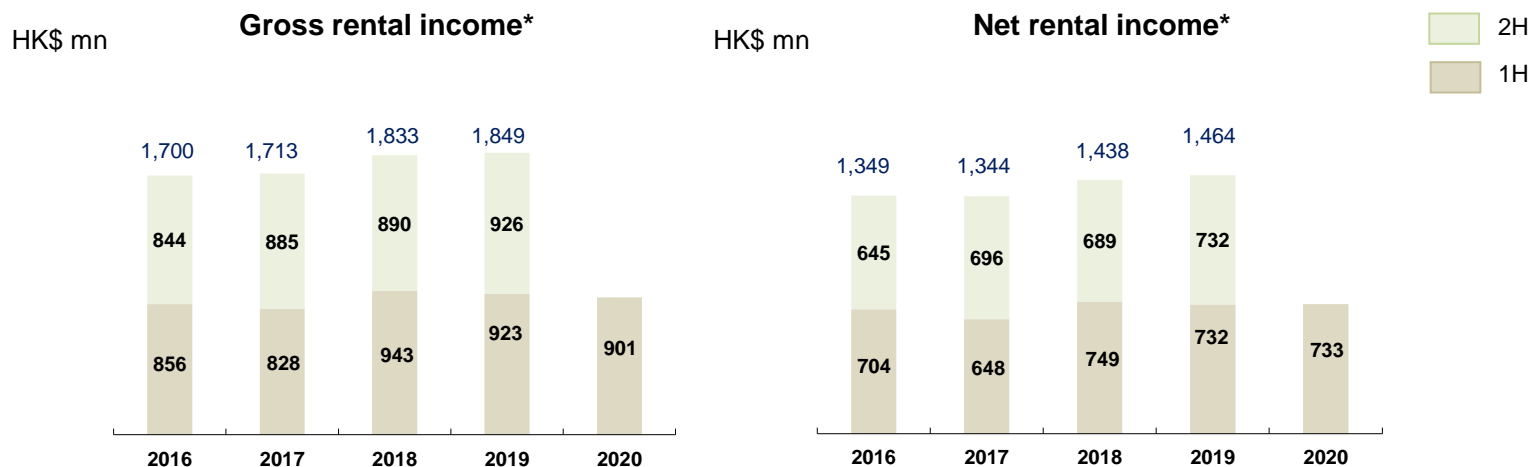
Satisfactory Rental Income from Investment Properties in Mainland China

- Satisfactory performance of key investment properties on the Mainland

Property	Leasing Rate as at 30 Jun 2020	Gross Rental Income For 1H 2020	p-o-p Change	
			RMB	HKD#
World Financial Centre, Beijing	~ 95% (Office)	HK\$ 423 mn	+ 2%	- 2%
Henderson Metropolitan, Shanghai	~ 97% (Office) ~ 75% (Retail)	HK\$ 116 mn	- 6%	- 10%

The larger percentage decrease in Gross Rental Income in HK\$ terms is partly due to the 5% year-on-year depreciation of RMB against HKD (based on the average RMB/HKD exchange rate of 1H 2020 vs. 1H 2019)

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.



New Investment Properties and 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.	Q4 2020 * RMB[5-6] 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> Leasing in Progress	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> Completed (Office) Q4 2020 (Retail) * RMB[140-160]psm GFA/mth (Office) * RMB[180-200]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[7-8] psm GFA/day (Office)

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

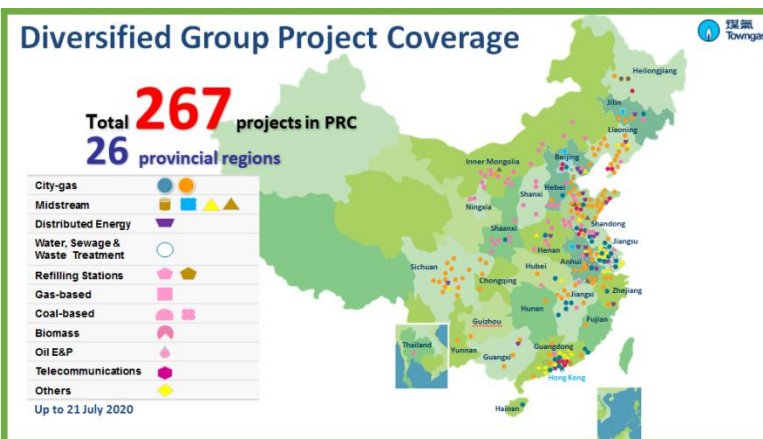


- HKCG’s unaudited profit after taxation attributable to shareholders for 1H 2020: HK\$ 2,970 mn* (exclusive of HKCG’s share of revaluation loss from ifc complex), down 21% p-o-p
- Dividend declared for 1H 2020 attributable to HLD: HK\$ 886 mn, up 5% p-o-p
- Total volume of gas sales in Hong Kong for 1H 2020 decreased by 4% to approximately 15,165 mn MJ
- Sole supplier of piped gas in Hong Kong with 1.94 mn customers (End of 2019: 1.93 mn)
- Large-scale city-gas enterprise in Mainland China with around 30.58 mn customers (End of 2019: 29.78 mn)
 - Largest controlling shareholder of Towngas China Company Limited (“Towngas China”, stock code: 1083), with a 67.76% interest as of 30 June 2020. Towngas China’s profit after taxation attributable to its shareholders for 1H 2020 amounted to HK\$581 mn, down 23% over 1H 2019
 - Inclusive of Towngas China’s projects, HKCG had 267 projects (up to July 2020) spread across Mainland China encompassing upstream, midstream and downstream natural gas sectors, environmentally-friendly energy, smart energy, water sectors and waste treatment, as well as telecommunications.

HKCG At A Glance (as of 30 Jun 2020)

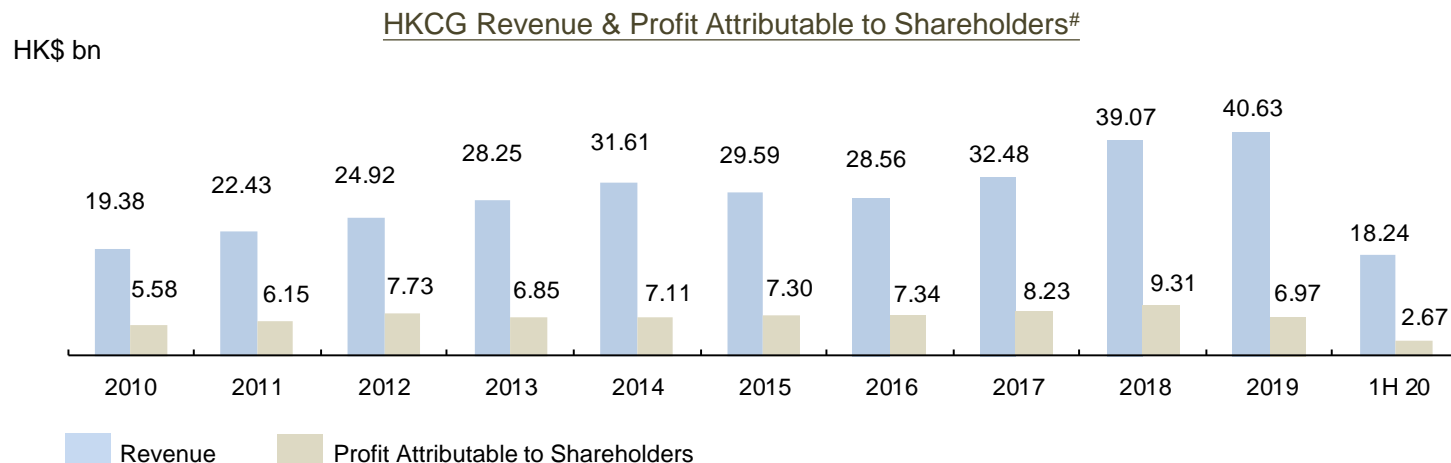
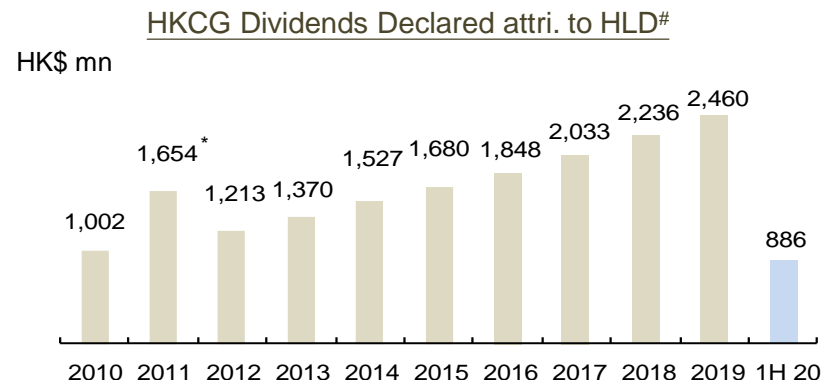
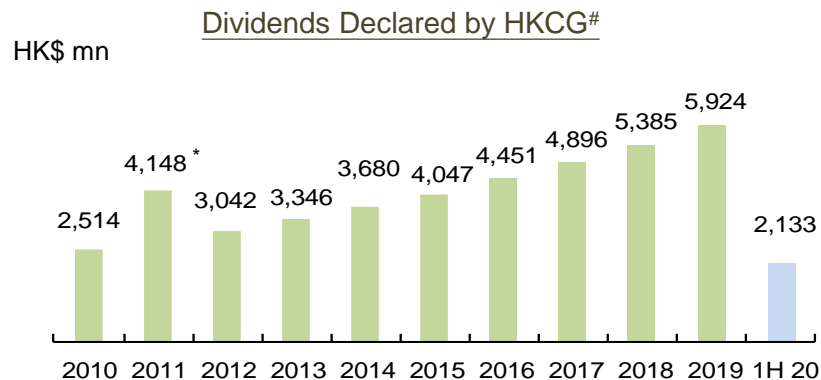
- ☑ Total Issued Shares: ~ 17,771 mn shares
- ☑ Market Capitalization: ~ HK\$ 213,252 mn
- ☑ Shareholders’ Equity: ~HK\$ 61,509 mn
- ☑ 41.53% owned by Henderson Land – single largest shareholder

(Closing market price of HK\$ 12.00 per share as of 30 Jun 2020)



* Inclusive of HKCG’s share of revaluation loss from the International Finance Centre(“ifc”) complex, profit after taxation attributable to shareholders amounted to HK\$2,667 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 **28.2%** as at 30 June 2020 (*end of 2019: 25.5%*)

➤ Abundant banking facilities and funding in place well cover the Group's attributable share of capital commitments already contracted for that amounted to ~ HK\$15.1 bn at 30 Jun 2020

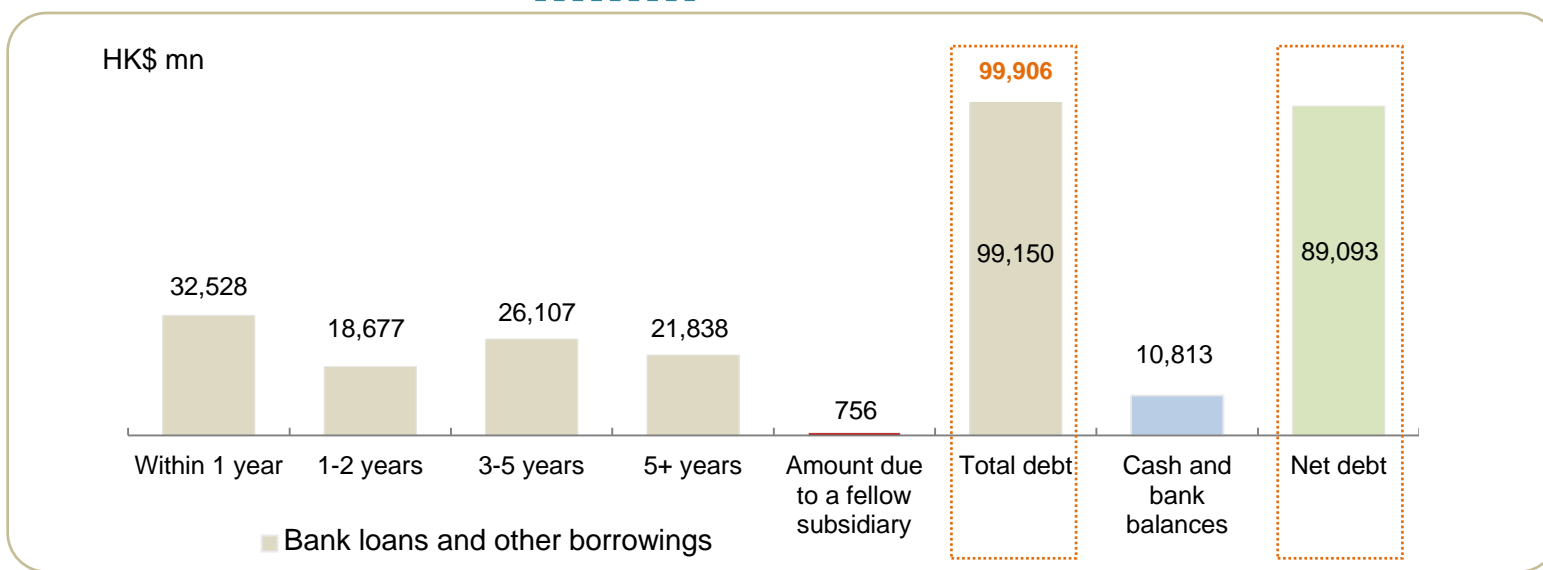
[^] refers to net debt to shareholders' equity ratio

- Interest Cover* of **6 times** for 1H 2020 (*1H 2019: 7 times*)

- HK\$ denominated Effective Borrowing Rate[#] at approx. **2.45%** p.a. (*1H 2019: approx. 2.62% p.a.*)

- Debt Maturity Profile as at 30 Jun 2020

➤ Weighted Average Debt Maturity of **3.31 Years** as at 30 Jun 2020 (*end of 2019: 3.35 Years*)



* Based on profit from operations (incl. bank interest income and the cumulative fair value change (net of tax) of investment properties disposed of during the period, but before changes in fair value of IPs and IPs under development for the period) plus share of underlying profits of associates and JVs and divided by interest expense (before interest capitalisation)

Being the effective borrowing rate of bank loans and other borrowings (including banks loans and guaranteed notes raised in foreign currencies but swapped into HK\$)

- With the Group's strong balance sheet and astute management of the following three major businesses by our experienced professional team, the Group is well-placed to tackle the challenges.
- Basic operation of the Group expected to remain stable for the current financial year. However, the pandemic may cause a continuing drop in property value, resulting in a fair value loss on revaluation of investment properties.

Property Sales

- ✓ 5 more projects for pre-sale/sale launch in Hong Kong in 2H 2020
- ✓ Together with the unsold stocks, a total of about 3,800 residential units and 240,000 sq. ft. of quality industrial/office space in HK will be available for pre-sale/sale in 2H 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 retail podium complex and “Lumina Shanghai” Phase 1 at Xu Hui Riverside Area in Mainland China in 2H 2020 will expand Group's rental portfolio to 9.5 mn sq.ft. and 10.2mn sq. ft. in attributable GFA by the end of 2020 in HK and Mainland China respectively
- ✓ Murray Road Project in HK and the remaining phases for “Lumina Guangzhou” and “Lumina Shanghai” in pipeline will grow the Group's rental portfolio with a more optimal composition

Associates

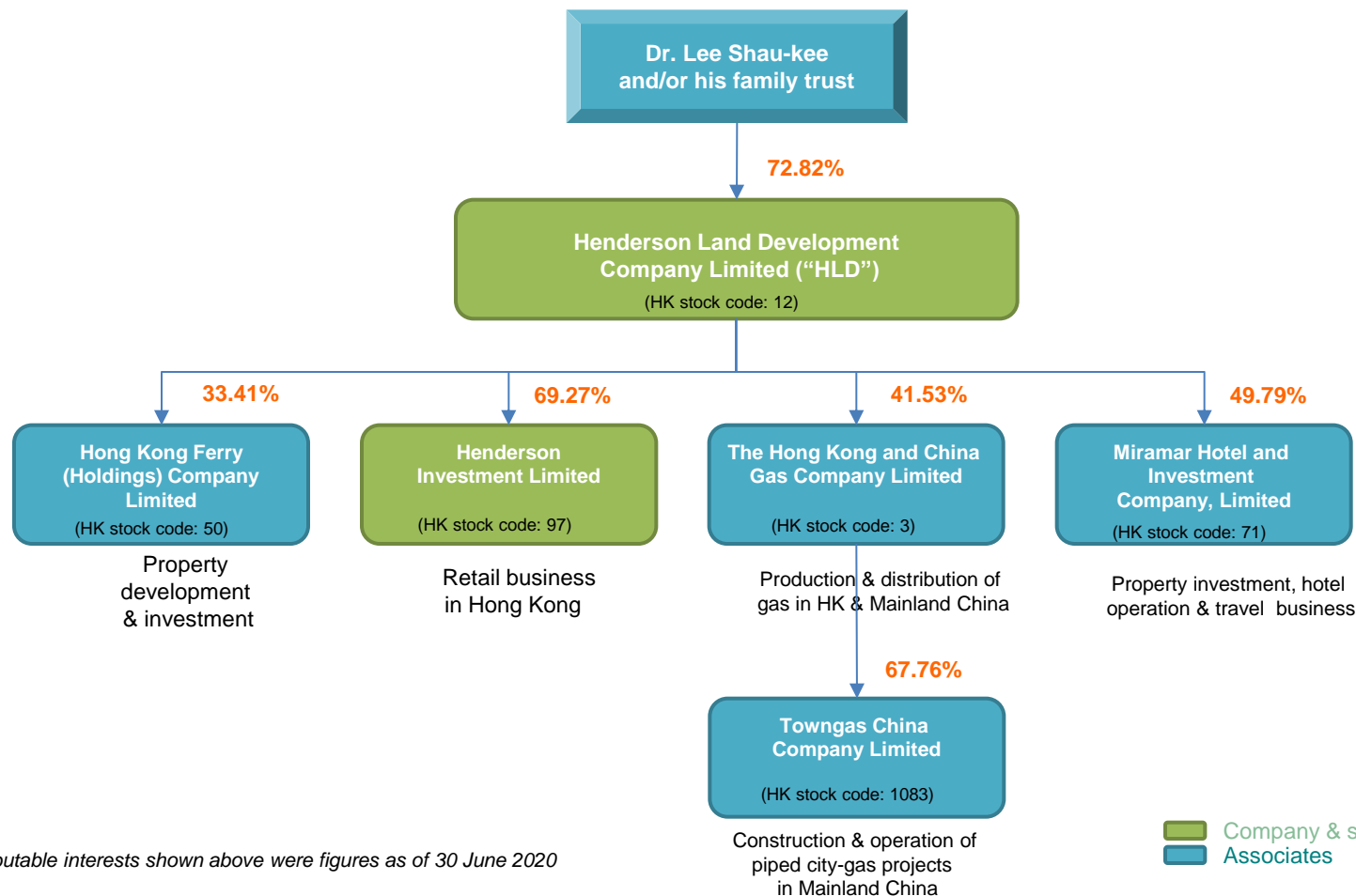
- ✓ Three listed associates, namely HKCG, Miramar Hotel and Investment Company, Limited and Hong Kong Ferry (Holdings) Company Limited serve as another steady recurrent income stream to the Group
- ✓ For HKCG, its portfolio included 267 projects in Mainland China (up to July 2020). With a total of over 32 mn piped-gas customers in Hong Kong and Mainland China as well as its development of various extended businesses, it is poised to provide promising returns to the Group

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Annex 1.1: Group Structure



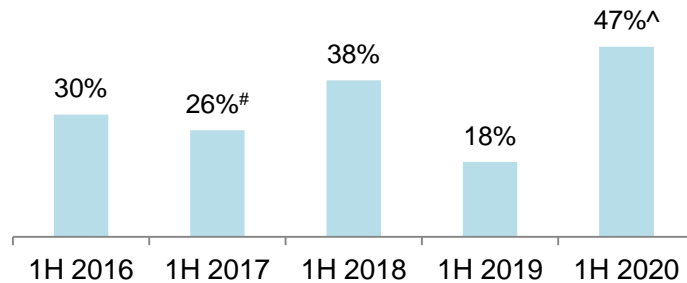
- Dr. Lee Shau-kee and/ or his family trust owned an equity interest of about 72.82% in Henderson Land as of 30 June 2020 (31 December 2019: 72.82%)



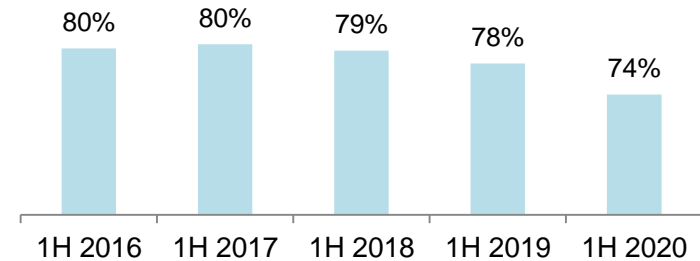


Annex 1.2: Operating Margin

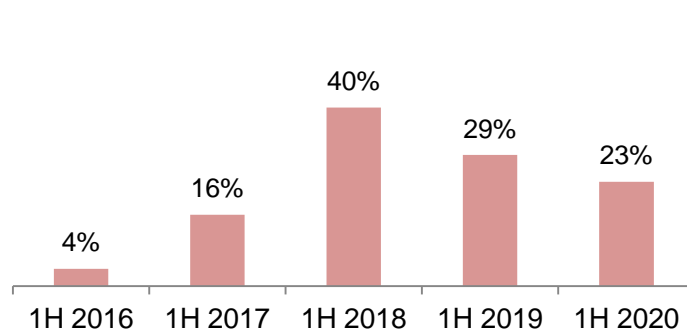
Hong Kong
Property Development Operating Margin*



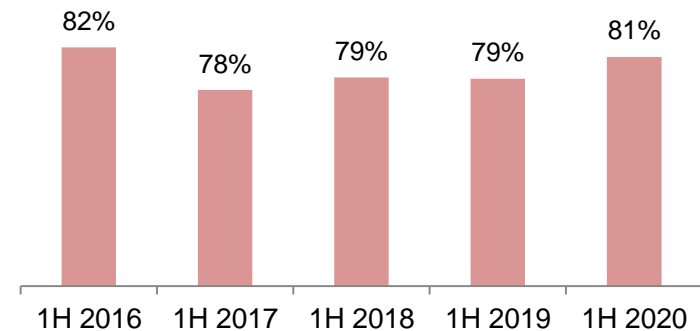
Hong Kong
Property Leasing Operating Margin*



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

^ The major contributors of the Group's attributable share of gross revenue and pre-tax profits from property sales in Hong Kong in 1H 2020 were "Cetus • Square Mile" and "NOVUM WEST"

Annex 2.1.1:

Inventories from major launched projects for sale



		Usage*	HLD interest	Attri. C* area for rental	No. of unsold units as at 30 Jun 2020	Saleable area attri. to HLD (sq. ft.)
1	Eden Manor – 88 Castle Peak Road, Kwu Tung	R	100%	-	263	318,888
2	Aquila • Square Mile, 38 Fuk Chak Street, Mong Kok	C/R	100%	30,081	410	109,507
3	Double Cove (Phases 1 - 5) – 8 Wu Kai Sha Road, Ma On Shan	C/R	59%	63,087	44	52,068
4	Cetus • Square Mile, 18 Ka Shin Street, Mong Kok	C/R	100%	22,748	95	26,661
5	Wellesley – 23 Robinson Road, Mid-Levels West	R	50%#	-	28	23,602
6	The Addition – 342-356 Un Chau Street, Cheung Sha Wan	C/R	100%	14,227	26	10,334
7	NOVUM EAST – 856 King's Road, Quarry Bay	C/R	100%	28,365	28	7,718
8	South Walk • Aura, 12 Tin Wan Street, Aberdeen	C/R	100%	3,142	27	6,410
9	The Vantage – 63 Ma Tau Wai Road, Hung Hom	C/R	100%	34,534	14	5,651
10	The Richmond – 62C Robinson Road, Mid-Levels West	C/R	100%	1,179	14	4,785
11	Reach Summit – Sereno Verde Ph.5 – 99A Tai Tong Road, Yuen Long	R	79.03%	-	17	4,410
12	NOVUM WEST – 460 Queen's Road West, Sai Ying Pun	C/R	100%	32,020	6	3,547
13	The Reach – 11 Shap Pat Heung Road, Yuen Long	R	79.03%	--	3	3,260
14	H • Bonaire – 68 Main Street, Ap Lei Chau	C/R	100%	5,228	4	2,553
15	Seven Victory Avenue – 7 Victory Avenue, Ho Man Tin	C/R	100%	9,952	3	1,167
16	PARKER33 – 33 Shing On Street, Shau Kei Wan	C/R	100%	--	2	1,134
17	Global Gateway Tower – 63 Wing Hong Street, Cheung Sha Wan	I/O	100%	--	n.a.	77,777
18	E-Trade Plaza – 24 Lee Chung Street, Chai Wan	O	100%	--	n.a.	60,359
19	The Globe – 79 Wing Hong Street, Cheung Sha Wan	O	100%	--	n.a.	55,428
20	Mega Cube – 8 Wang Kwong Road, Kowloon Bay	O	100%	--	n.a.	48,622
Total (Project no. 1-20)				244,563	984	823,881

*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. 17-20, 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	64,070		729,473 sq.ft. @ Mid-Levels	64,070
(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	706,375	112,979	596,217	1,302,592

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 2.1.2:

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) 16 Kimberly Road, Tsim Sha Tsui (Block B, Champagne Court)			12,283	147,396	147,396
(17) 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
(18) 456-466 Sai Yeung Choi Street North and 50-56A Wong Chuk Street, Sham Shui Po	22,889	203,962			203,962
(19) 1-27 Berwick Street, 202-220 Nam Cheong Street and 1-14 Yiu Tung Street, Shek Kip Mei	37,801	340,209	7,725	61,800	402,009
(20) 11-19 Wing Lung Street, Cheung Sha Wan (Note 2)	6,510	58,300			58,300
(21) 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
(22) 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
(23) 67-83 Fuk Lo Tsun Road, Kowloon City (Note 2)	10,954	92,425			92,425
(24) 4-22 Nam Kok Road, Kowloon City	10,177	86,505			86,505
(25) 3 Mei Sun Lane, Tai Po	6,487	37,041			37,041
Sub-total(Kowloon and New Territories):	197,613	1,739,144	130,527	1,195,672	2,934,816
Total:	294,900	2,445,519	243,506	1,791,889	4,237,408 <i>(End of 2019: 4,321,437)</i>

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 30 Jun 2020)



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 520 units were completed with occupation permits
2	Projects pending sale in 2H 2020	0.6	
Sub-total		1.4	
(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	2.4	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 2H 2020)
9	Castle Peak Road / Un Chau Street project, Sham Shui Po	0.1	Expected to be available for sale in 2021
Sub-total		8.1	
Total of Sections (A) and (B)		9.5	

Notes:

- 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.
- 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 30 Jun 2020)



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	Developable area is subject to finalization of land premium
Sub-total	4.9	
Total for Sections (A), (B) and (C)	14.4	

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)	808,398	3,983,789	22.8%	--	908,304
2	29A Lugard Road, The Peak, Hong Kong	23,653	11,709	100%	--	11,709
Total		832,051	3,995,498	--	920,013	

Note:

1. The general building plan (after adjustment of site boundary) was approved in July 2017. The Government's provisional basic terms were accepted in July 2020 and it is pending the Government's finalisation of the amount of land premium

Annex 3.1:

Development Landbank in Mainland China



Land bank under/ for development as of 30 June 2020



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	1.35
4. Shenzhen	1	0.21
5. Changsha, Hunan	1	3.38
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	1.15
11. Xian, Shaanxi	1	5.87
12. Xuzhou, Jiangsu	1	0.62
13. Yixing, Jiangsu	1	1.36
TOTAL at 30 June 2020	23	27.35
TOTAL at 31 Dec 2019	23	31.86

Prime cities:
6.36 mn sq. ft.

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

*Excluding basement areas and car parking spaces

Annex 3.2.1:

Completion Schedule in Mainland China



- As of 30 June 2020, the Group had about 0.6 mn sq. ft. in attributable GFA[#] of completed inventories in Mainland China.
- Projects completed in 1H 2020:

City	Project name and location	Project type	GFA (sq. ft.) [#]	GFA attributable to HLD (sq. ft.) [#]
Changsha	Phase 1 & 2, The Landscape (湖山賦), Kaifu District	Residential	2,902,000	1,451,000
Guangzhou	Twin office towers of Phase 1, Lumina Guangzhou (星寰國際商業中心), Yuexiu District	Commercial (Office Towers)	959,000	959,000
Suzhou	Phase 1, Kuanyue Yayuan (寬閱雅苑)	Residential	785,000	275,000
Xian	Phase 2R5 & 1S1, La Botanica (御錦城)	Residential, Commercial & School	1,998,000	999,000
Yixing	Phase B-2A & 2B, Grand Lakeview (譽瓏湖濱), Dongjiu District	Residential	1,804,000	902,000
		Total	8,448,000	
		Total GFA attributable to HLD		4,586,000

[#]Excluding basement areas and car parking spaces

Annex 3.2.2:

Completion Schedule in Mainland China (Cont'd)



■ Completion schedule for 2H 2020

City	Project name and location	Project type	Estimated GFA (sq. ft.) [#]	Estimated GFA attributable to HLD (sq. ft.) [#]
Beijing	Lakeside Mansion (祥雲賦), Shunyi District	Residential / Commercial	1,294,000	317,000
Changsha	Phase 1 & 2, The Landscape (湖山賦), Kaifu District	Commercial & School	44,000	22,000
Chengdu	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 Area	Residential / Commercial	1,757,000	527,000
Guangzhou	Retail podium complex of Phase 1, Lumina Guangzhou (星寰國際商業中心), Yuexiu District	Commercial	816,000	816,000
Guangzhou	Phase 1, Central Manor (建發九龍倉央壘), Baiyun District	Residential & School	594,000	107,000
Shanghai	Phase 1, Nanhui New Town Project (碧行馨香清楓苑)	Residential	824,000	103,000
Shanghai	Phase 1, Nanhui New Town Project (綠地泊景雅園)	Residential	794,000	127,000
Shanghai	Middle Huaihai Road Project (恒旭薈)	Commercial	286,000	143,000
Shanghai	Phase 1, Lumina Shanghai (星揚西岸中心), Xuhui District	Commercial	2,004,000	2,004,000
Xian	Phase 1K1, La Botanica (御錦城)	School	38,000	19,000
Yixing	Phase B-3A & 3B, Grand Lakeview (譽瓏湖濱), Dongjiu District	Residential	1,024,000	512,000
		Total	9,475,000	
		Total estimated GFA attributable to HLD		4,697,000

[#]Excluding basement areas and car parking spaces

Annex 3.2.2:

Completion Schedule in Mainland China (Cont'd)



■ Completion schedule for FY2021

City	Project name and location	Project type	Estimated GFA (sq. ft.) [#]	Estimated GFA attributable to HLD (sq. ft.) [#]
Beijing	Sunhe Development (北京孫河F1地塊)	Residential / Commercial	516,000	258,000
Changsha	Phase 5, The Landscape (湖山賦), Kaifu District	Residential & School	1,690,000	845,000
Chengdu	Lot B02 – T2, The Arch, Chengdu ICC (成都環貿廣場 – 凱旋門), Dongda Road Commercial and Financial Area	Commercial	1,053,000	316,000
Guangzhou	Phase 2, Central Manor (建發九龍倉央璽), Baiyun District	Residential	856,000	154,000
Guangzhou	Zengcheng Development (潤悅)	Residential	1,000,000	100,000
Hefei	Xuheng Huayuan (旭恒花園)	Residential / Commercial	1,372,000	686,000
Nanjing	Phase 3, Emerald Valley (玲瓏翠谷), Xianlin District	Residential / Commercial / Sales office	356,000	188,000
Shanghai	Phase 2, Lumina Shanghai (星瀚廣場), Xuhui District	Commercial	977,000	977,000
Suzhou	Phase 2, Kuanyue Yayuan (寬閱雅苑)	Residential	1,039,000	364,000
Xian	Phase 3R4, 3K2, 2R3 & 2P2, La Botanica (御錦城)	Residential, Commercial & School	2,426,000	1,213,000
Xuzhou	Phase 4A & 4B, Grand Paradise (恒基·雍景新城)	Commercial	571,000	571,000
Yixing	Phase F3, Grand Lakeview (譽瓏湖濱), Dongjiu District	Residential	1,562,000	781,000
		Total	13,418,000	
		Total estimated GFA attributable to HLD		6,453,000

[#]Excluding basement areas and car parking spaces

Annex 3.3:

Rental Portfolio in Mainland China



Major completed investment properties in Mainland China as of 30 June 2020

									
Project Name	World Financial Centre	Grand Gateway Office Tower II	Skycity	Centro	Greentech Tower	Henderson Metropolitan	Henderson 688	Hengbao Plaza	Lumina Guangzhou (Twin Office Towers)
Location	Beijing	Shanghai	Shanghai	Shanghai	Shanghai	Shanghai	Shanghai	Guangzhou	Guangzhou
HLD's interest	100%	100%	100%	100%	100%	100%	100%	100%	100%
Usage	Office & Retail	Office	Retail	Office & Retail	Office & Retail	Office & Retail	Office & Retail	Retail	Office
Acquisition Year	1994	1997	1992	1992	1992	2007	1994	1995	Since 1993
Completion Year	2009	2005	1998	2010	2012	2010	2014	2001	2020
GFA[^] (sq. ft.)	2,212,591	687,981	435,801	434,125	408,804	834,598	710,636	653,557	959,223
• Office	1,999,947	687,981	142,353	368,658	355,882	427,980	660,829	--	959,223
• 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 • 30 Jun 2020	~95% (Office) ~100% (Retail)	~92%	~75%	~82% (Office) ~98% (Retail)	~94% (Office) ~66% (Retail)	~97% (Office) ~75% (Retail)	~94% (Office) ~100% (Retail)	~80% (excl. basement retail)	Leasing in Progress

[^]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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