



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

Stock Code: 12

2019 Interim Results

August 2019



"Eden Manor", Kwu Tung, HK



"H Zentre", Tsim Sha Tsui, HK

"Lumina Guangzhou", Haizhu Square Station

Huaihai Middle Road Project, Shanghai

"Lumina Shanghai", Xuhui Riverside

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2019 Interim Results Highlights



| Unaudited | 1H 2019 HK\$ mn | 1H 2018 HK\$ mn | Change |
|--|-----------------------------|-----------------------------|--------------|
| Property Development (Attributable Pre-tax Underlying Profit) [☆] | | | |
| Gain from Sales of Property Interests (Attributable Pre-tax Underlying Profit) ^ψ 2,473 | 1,107 1,366 [§] | 4,113 [#] 6,260 | -73% -78% |
| Property Leasing (Attributable Pre-tax Net Rental Income) [☆] | 3,585 | 3,534 | +1% |
| HKCG[^] - Share of Net Profit(after tax) (utility and energy business only) | 1,507 | 1,622 | -7% |
| Profit attributable to Shareholders | | | |
| Underlying profit (excluding fair value change of investment properties ^Δ) | 6,702 | 13,859 | -52% |
| Reported profit | 7,515 | 15,030 | -50% |
| Earnings per share[✧] (HK\$) (adjusted for the effect of bonus issue in 2019) | | | |
| Based on underlying profit | 1.38 | 2.86 | -52% |
| Based on reported profit | 1.55 | 3.10 | -50% |
| Interim Dividend per share (HK\$) | 0.50 | 0.50 | Flat |

[☆]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 2018 should be HK\$3,994mn

[^] 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 which own interest in joint ventures which 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 period in the aggregate amount of HK\$1,366mn(1H 2018: HK\$6,260mn)

^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.

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

2019 Interim Results Highlights



| | Unaudited 30 Jun 2019 | Audited 31 Dec 2018 | Change |
|--|--------------------------|------------------------|------------------------------|
| HK\$ mn | | | |
| Shareholders' equity | 314,686 | 313,153 | +0.5% |
| Cash and bank balances | 14,428 | 16,507 | -13% |
| Net debt | 76,236 | 70,123 | +9% |
| HK\$ | | | |
| Net asset value per share [^] | 65.00 | 64.69 | +0.5% |
| Net debt to Shareholders' equity | 24.2% | 22.4% | +1.8 percentage points |

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

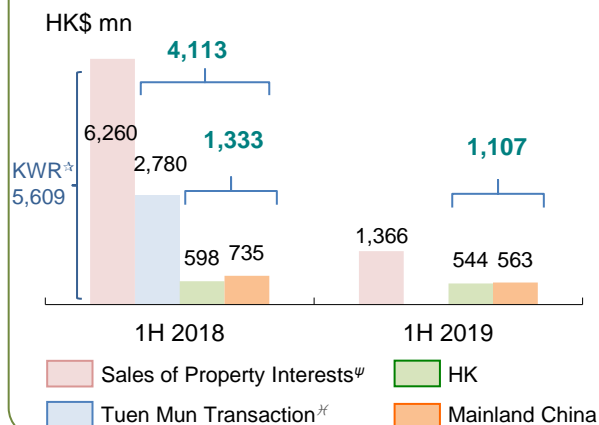
2019 Interim Results Highlights



Property Development* & Sales of Property Interests^ψ

Property Development Revenue:
HK\$4,885 mn -53% p-o-p

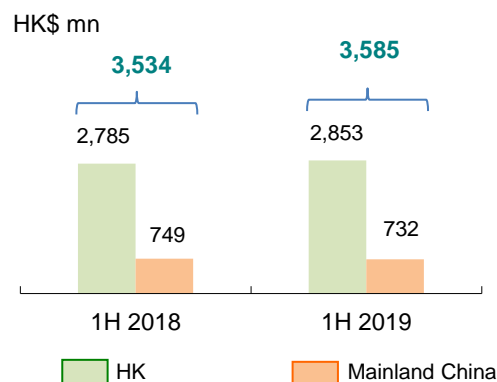
Pre-tax Underlying Profit*
(from Property Development & Sales of Property Interest)



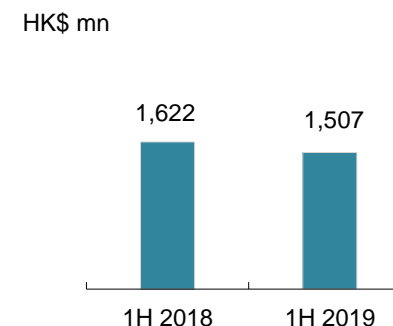
Property Leasing*

Gross Rental Income:
HK\$4,589 mn +3% p-o-p

Pre-tax Net Rental Income*



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



- ✓ Properties sold and pre-sold (attri. to HLD) in 1H 2019: **HK\$12,219 mn** (1H 2018: HK\$21,219 mn)
 - Hong Kong: HK\$7,881 mn (1H 2018: HK\$18,994 mn) inclusive of Sales of Development Properties & Sales of Property Interests
 - Mainland China: HK\$4,338 mn (1H 2018: HK\$2,225 mn) in respect of Sales of Development Properties
- ✓ Cumulative proceeds from property sales (attri. to HLD but not yet accounted for): **HK\$29,785 mn** as of 30 June 2019
 - Hong Kong: HK\$21,521 mn (+13% ytd^Δ)
 - Mainland China: HK\$8,264 mn
- ✓ Dividend declared by HKCG^Δ for 1H 2019 attributable to HLD: **HK\$843 mn** (+10% 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.

[‡] Represents the profit contribution from the disposal of the entire residential development project at Kwun Chui Road, Tuen Mun in 1H 2018

[‡] Represents the profit contribution from the disposal of the officer tower at King Wah Road, North Point in 1H 2018

^Δ 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 Interests 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 period, covering both HK and Mainland China ^Δ Percentage change compared with the figures as of 31 Dec 2018

“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 (Completion on or before Jan 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 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 FY2017

Transactions completed in FY2018

Transaction completed in FY2019

Transaction to be completed on or before Jan 2020

Property Development Business



- Unsold stock from residential and commercial-cum-residential projects provides substantial future saleable resources
- 6 Residential Projects were completed in 1H 2019 with total attributable GFA of 892,614 sq. ft. (1H 2018: 18,000 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 | | | | | Project Inventories at 30/6/19 | Anticipated Completion |
|--|--------|------------------|--------------------|----------------|--------------------------------------|-------|-------|-------|---------|--------------------------------|--|
| | | | | | 2015 | 2016 | 2017 | 2018 | 1H 2019 | | |
| The Addition, Cheung Sha Wan | C/R | 100% | 200 | Apr 19 | n.a. | n.a. | n.a. | n.a. | 127 | 73 | 1H 21 |
| The Vantage, Hung Hom | C/R | 100% | 551 | Mar 19 | n.a. | n.a. | n.a. | n.a. | 468 | 83 | 1H 21 |
| Reach Summit, Yuen Long | R | 79.03% | 504 | Oct 18 | n.a. | n.a. | n.a. | 129 | 345 | 30 | 1H 20 |
| Cetus • Square Mile, Mong Kok | C/R | 100% | 514 | Jun 18 | n.a. | n.a. | n.a. | 416 | 1 | 97 | 2H 19 |
| NOVUM WEST, Sai Ying Pun | C/R | 100% | 645 | Mar 17 | n.a. | n.a. | 295 | 256 | 79 | 15 | 2H 19 |
| South Walk • Aura, Aberdeen | C/R | 100% | 142 | Mar 18 | n.a. | n.a. | n.a. | 113 | 0 | 29 | Completed prior to 30 Jun 2019 |
| NOVUM EAST, Quarry Bay | C/R | 100% | 464 | Oct 17 | n.a. | n.a. | 55 | 237 | 91 | 81 | |
| Eden Manor, Kwu Tung | R | 100% | 590 | Mar 17 | n.a. | n.a. | 195 | 97 | 15 | 283 | |
| Seven Victory Avenue, Ho Man Tin | C/R | 100% | 250 | Sep 16 | n.a. | 110 | 84 | 28 | 14 | 14 | |
| Wellesley, Mid-Levels | 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 | 530 units were completed with OP as of 30 Jun 2019 |
| Double Cove (Ph. 1-5), Ma On Shan | C/R | 59% | 3,535 | Sep 12 | 472 | 493 | 152 | 31 | 5 | 80 | |
| The Reach, Yuen Long | R | 79.03% | 2,580 | Oct 12 | 212 | 6 | 13 | 6 | 0 | 3 | |
| Others ^π | C/R | | | | 739 | 638 | 260 | 77 | 4 | 10 | |
| Total | | | | | 1,547 | 1,356 | 1,073 | 1,393 | 1,149 | 828 | |

End of 2018: <1,225>

*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

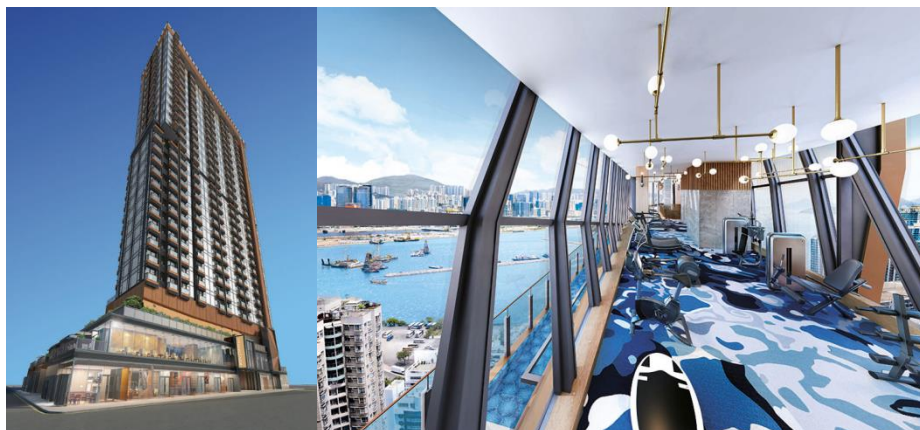
^ψ The Group's interest represents 25.07% of the development and after the allocation of the residential units to the relevant developers, the Group holds jointly with one developer a 50/50 interest in the residential units so allocated.

■ in New Territories ■ in Kowloon ■ On Hong Kong Island



Recent Pre-sale Launches (As of 15th August 2019)

- Urban – Kowloon:



The Vantage, 63 Ma Tau Wai Road, Hung Hom

| | |
|------------------------------------|--|
| Total no. of units | 551 |
| Presale launched in early-Mar 2019 | 491 units successfully pre-sold (Close to 90% pre-sold) |
| Average Selling Price (Net) | Approx. HK\$22,000 psf of Saleable Area |
| Expected Completion | 1H 2021 |

- Suburban – New Territories:

Reach Summit, Yuen Long (79.03% owned)

| | |
|------------------------------|---|
| Total no. of units | 504 |
| Presale launched in Nov 2018 | 480 units successfully pre-sold (over 95% 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



- Sale pipeline of new projects in Hong Kong for 2H 2019 (as at 30 June 2019)

| Project name and location | Usage* | HLD's interest | No. of R* units | Attri. GFA/ Saleable Area (sq. ft.)* | | Anticipated Completion |
|---|--------|----------------|-----------------|--------------------------------------|----------------|------------------------|
| | | | | Investment Prop. | R | |
| ① 38 Fuk Chak Street, Tai Kok Tsui | C/R | 100% | 489 | 30,166 | 150,802 | 2H 21 |
| ② 62C Robinson Road, Mid-Levels | C/R | 100% | 90 | 1,179 | 32,501 | 2H 21 |
| ③ Lot No. 1752 in DD No. 122, Tong Yan San Tsuen, Yuen Long | R | 100% | 16 | - | 27,868 | Completed |
| | | | Total | 595 | 31,345 | 211,171 |
| Total GFA attributable to HLD for sale | | | | | 211,171 | |

- Together with unsold stock from residential and commercial-cum-residential projects, a total of **around 1,400 residential units** and, separately, around 250,000 sq. ft. of industrial/office properties will be available for sale in 2H 2019

*C = Commercial; R = Residential.

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

■ in New Territories ■ in Kowloon ■ On Hong Kong Island

Projects for Sale in FY2019

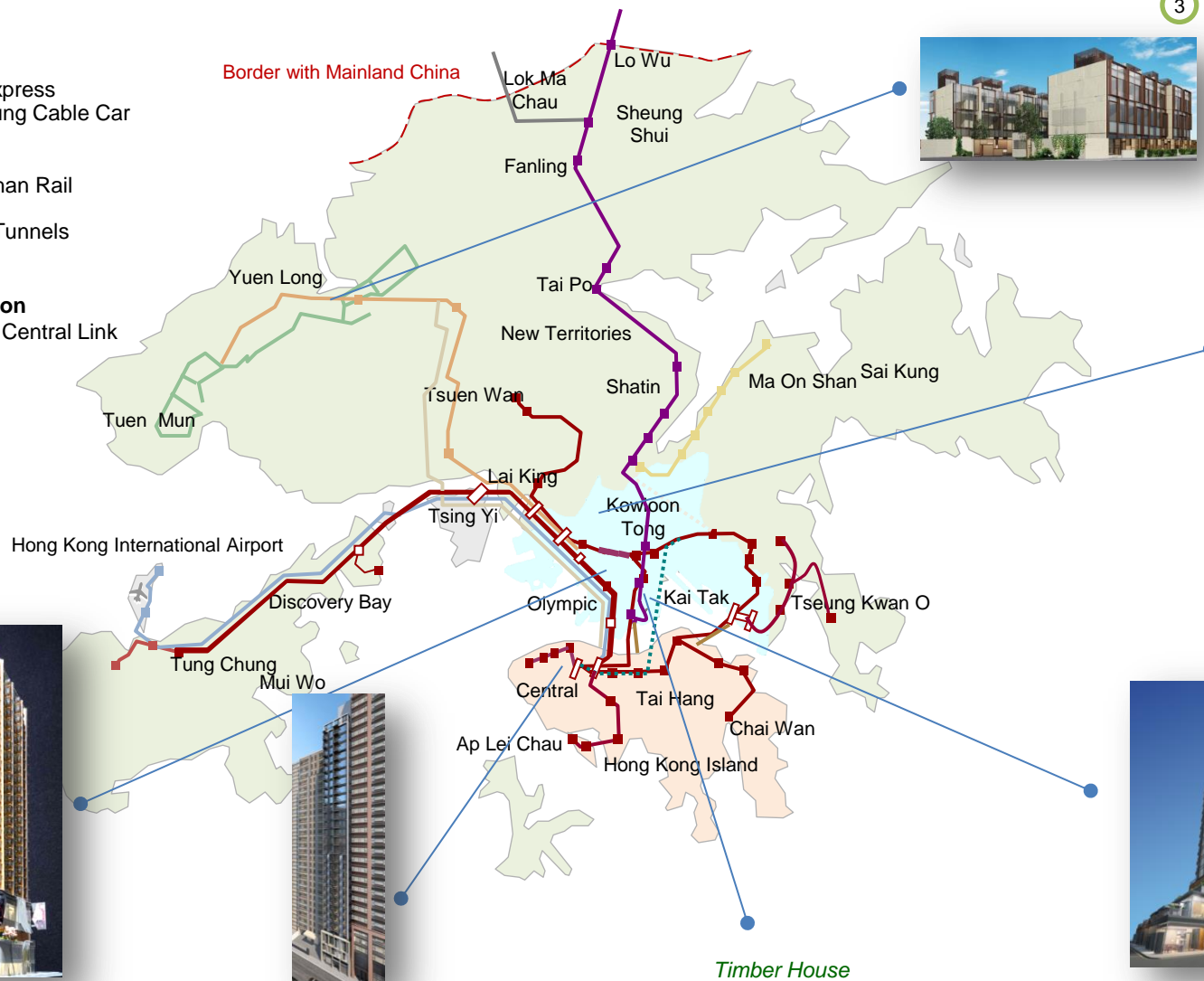


Existing line

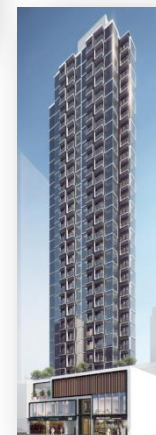
- MTR
- Airport Express
- Tung Chung Cable Car
- East Rail
- West Rail
- Ma On Shan Rail
- Light Rail
- Harbour Tunnels
- Route 3

Under Construction

- Shatin to Central Link



③ **Tong Yan San Tsuen Project**
Yuen Long
Residential, N.T.



The Addition
Cheung Sha Wan
Residential, Kowloon



① **38 Fuk Chak Street**
Tai Kok Tsui
Residential, Kowloon



② **62C Robinson Road**
Mid-Levels
Residential, HK Island

Timber House
Ho Man Tin
Residential, Kowloon
(49% owned)



The Vantage
Hung Hom
Residential, Kowloon

Property Development Business



- 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.) | Commercial Area | 2H 2019 | 2020 – 21 | 2021 or onwards | Total |
|--|-----------------|-------------|-------------|-----------------|--------------|
| Launched developments remaining inventories <i>(Note 2)</i> | 0.21 | 0.84 | | – | 1.05 |
| New projects for sale/ pre-sale & leasing in 2H 2019 | 0.03 | 0.21 | – | – | 0.24 |
| Existing three urban redevelopment projects for sale/ leasing <i>(Note 3)</i> | 0.14 | – | – | 0.92 | 1.06 |
| Newly-acquired urban redevelopment projects with <u>100% ownership</u> <i>(Note 3)</i> | 0.06 | – | 2.29 | | 2.35 |
| Newly-acquired urban redevelopment projects with <u>80% or above ownership</u> <i>(Note 3)</i> | – | – | – | 1.94 | 1.94 |
| 5 projects at Kai Tak and Sham Shui Po project <i>(Note 3)</i> | – | – | 1.68 | – | 1.68 |
| 2 projects at Middle Road and Murray Road <i>(Note 3)</i> | 0.83 | – | – | – | 0.83 |
| 2 projects in Fanling North NDA and Kwu Tung North NDA | – | – | 0.61 | 0.27 | 0.88 |
| Total | 1.27 | 1.05 | 4.58 | 3.13 | 10.03 |

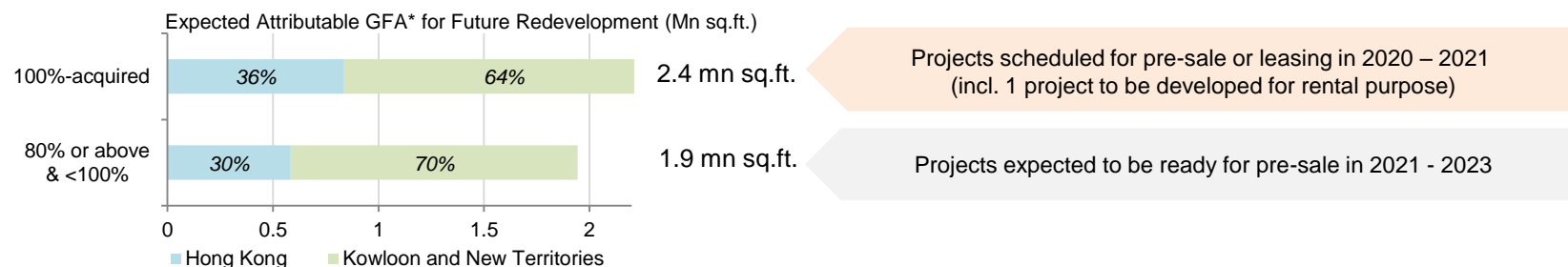
- Notes:**
- This sale/ pre-sale schedule is subject to change in response to changes in construction plan, regulatory and market developments.
 - For those launched projects, the area of their residential portions is calculated on saleable basis.
 - The GFA figures are calculated based on the Buildings 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.
- * Percentage change compared with the figures as of 31 Dec 2018



i Land Bank in Urban Area Acquired by Site Assembly

- As at 30 June 2019, the Group had 27 projects with at least 80% ownership acquired and expected total attri. GFA of 4.3mn sq.ft.*

Ownership Secured as at 30 June 2019



Estimated acquisition costs for the old buildings (expected total attri. GFA: **4.3 mn sq. ft.***) with entire or over 80% ownership acquired: HK\$36.99 billion or **HK\$8,600 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\$13,000 per sq.ft. in GFA terms. Taking the saleable sq.ft. to GFA ratio at 84%, “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.

- Additionally, the acquisition of another 30 projects with ownership over 20% but less than 80% is underway with a total estimated attributable GFA* presently of about 0.77 mn sq.ft. (based on the respective ownership currently secured by the Group) or about **1.91 mn sq. ft.** upon completion of redevelopment (if all the ownerships are successfully secured by the Group).

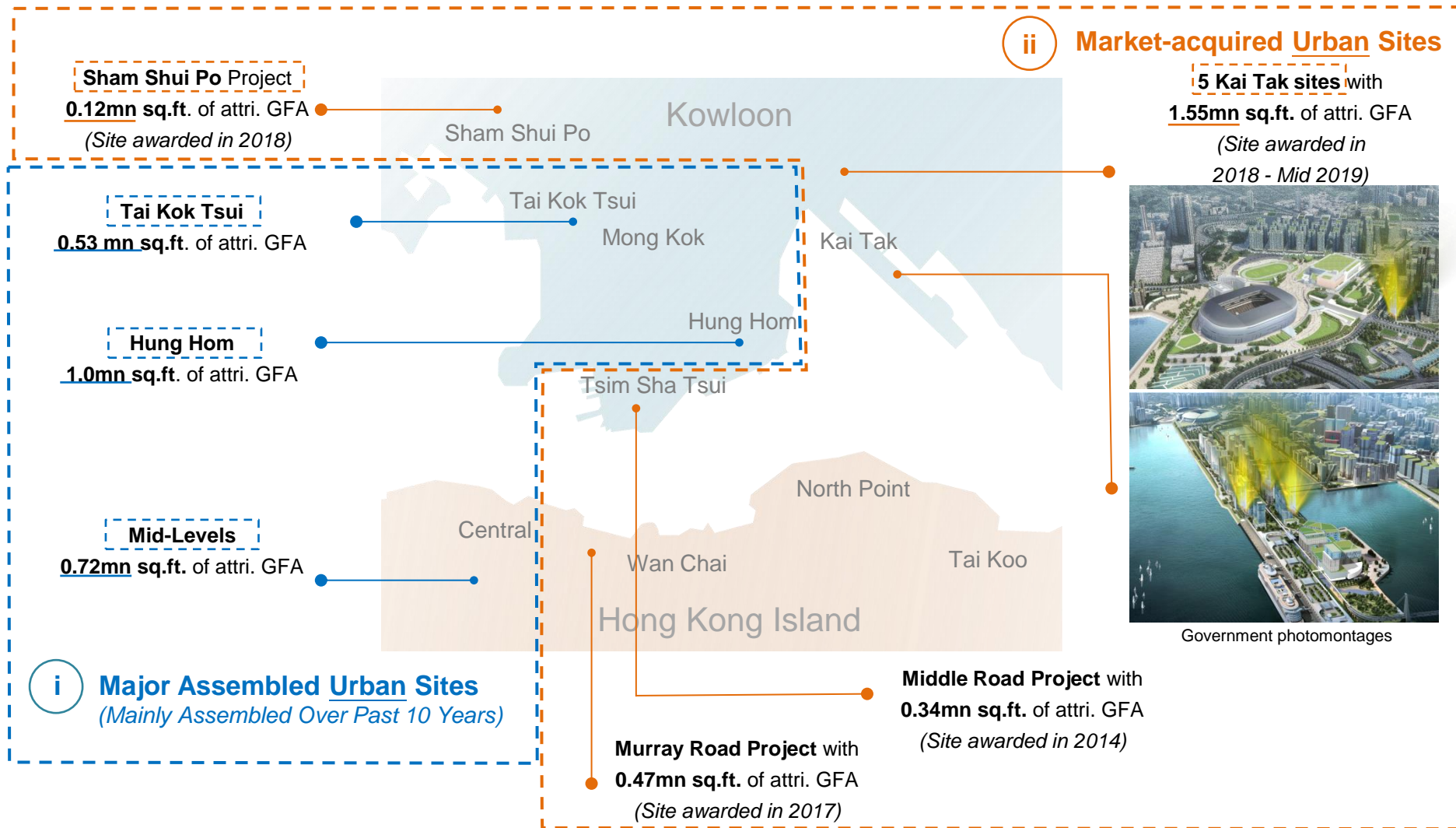
(Note: Such acquisitions bear uncertainty and the Group may not be able to consolidate all their ownerships.)

* 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



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 2H 2019)



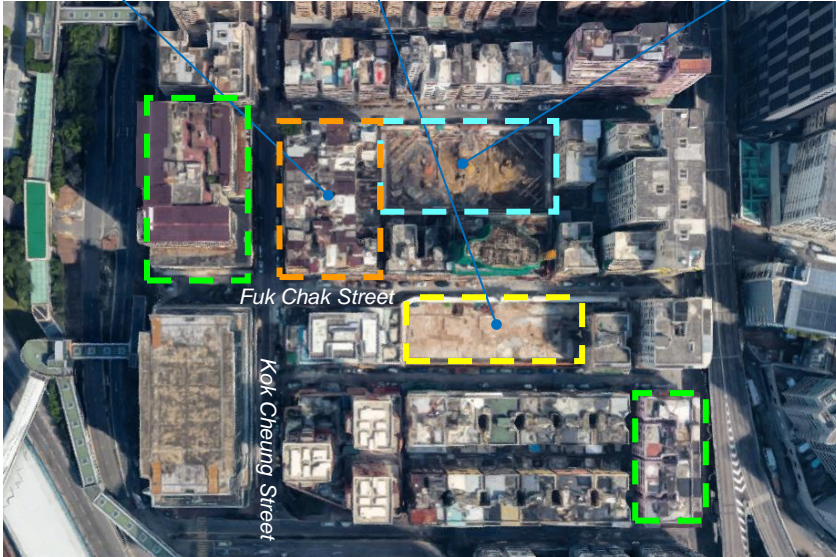
Cetus • Square Mile
Under Construction
(Pre-sale launched)



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

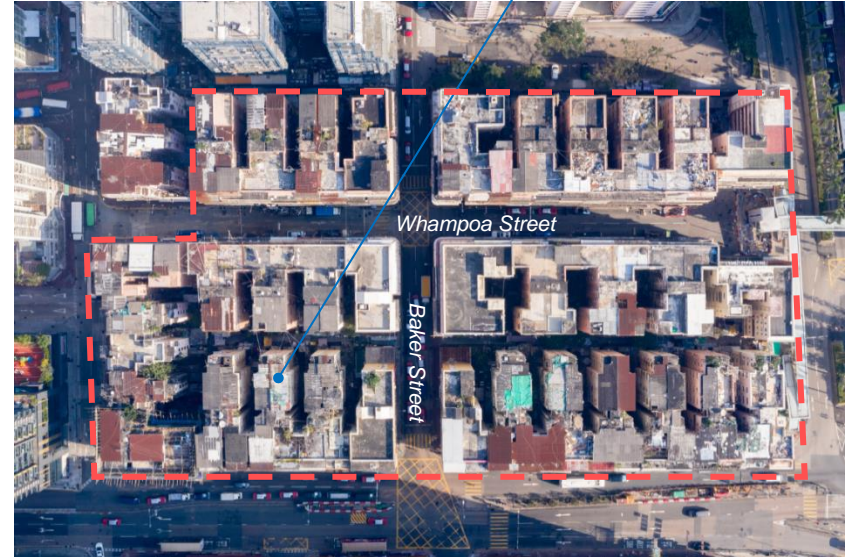


High Floors with Seaview



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) |
|---|----------|-------|--------------|------------------------------|---|
| Two Kai Tak Kowloon sites from HNA | 1H 2018 | R | 100% | 1,052,567 sq. ft. | HK\$15,958mn (Approx. HK\$15,161 psf) |
| Kai Tak Site 4B-3 (acquired via Gov. Public Tender) | 2H 2018 | R | 29.3% | 168,362 sq. ft. | HK\$2,442mn (Approx. HK\$14,502 psf) |
| Kai Tak Site 4B-1 (acquired via Gov. Public Tender) | 1H 2019 | R | 30% | 216,618 sq. ft. | HK\$2,968mn (Approx. HK\$13,701 psf) |
| Kai Tak Site 4C-2 (acquired via Gov. Public Tender) | 1H 2019 | R | 18% | 115,410 sq. ft. | HK\$2,266mn (Approx. HK\$19,636 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) |
| Urban Residential Development Sites Acquired since 2018: 1.68 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) |
| Middle Road Project, 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.

Total: 2.48 mn sq.ft.

* 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 30 Jun 2019, land reserve in New Territories increased to approx. 45.9 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 **Kwu Tung North(KTN) NDA & Fanling North(FLN) NDA**, both forming as new urban centres in the New Territories
 - The Group has approx. 2.4 mn sq. ft. of land plot area in the two NDAs, namely Kwu Tung North & Fanling North with target population of 119,600 and 74,100 respectively; First population intake expected in 2023/2024

Kwu Tung North NDA & Fanling North NDA - HLD

- Land area eligible for applications for in-situ land exchange (219,443 sq.ft. already completed) Approx. 928,000 sq. ft.
- Land area attri. to HLD available for government resumption with cash compensation Approx. 1,470,000 sq. ft.

Total: Around 2,400,000 sq. ft.

Land Area Eligible for Applications for In-situ Land Exchange with Expected Development Area of above 4 million sq. ft. attri. to HLD

| | Site Area (sq. ft.) | Estimated attri. GFA for Development (sq. ft.) | |
|---|-------------------------------|--|---|
| KTN NDA Phase 1 <i>Land Exchange Completed</i> | (i) 45,208 in Kwu Tung North | 271,248 | Land Premium @ HK\$3,644 per sq.ft. of attri. GFA |
| FLN NDA Phase 1 <i>Land Exchange Completed</i> | (ii) 174,235 in Fanling North | 609,817 | Land Premium @ HK\$4,152 per sq.ft. of attri. GFA |
| Other Phases (3 plots) | 709,000 in Fanling North | 3,440,000 | In-situ land exchange application accepted by the Gov. for further review |

Total: ~928,000

Site Area: ↑

~4,321,000

Estimated attri.GFA: ↑

- As for **Hung Shui Kiu NDA**, the Group holds a total site area of approx. 6.47mn sq. ft. in land bank in this area
- The Group also has certain land bank in the areas of Ping Che/Ta Kwu Ling, Yuen Long South and Kam Tin South/Pat Heung



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>

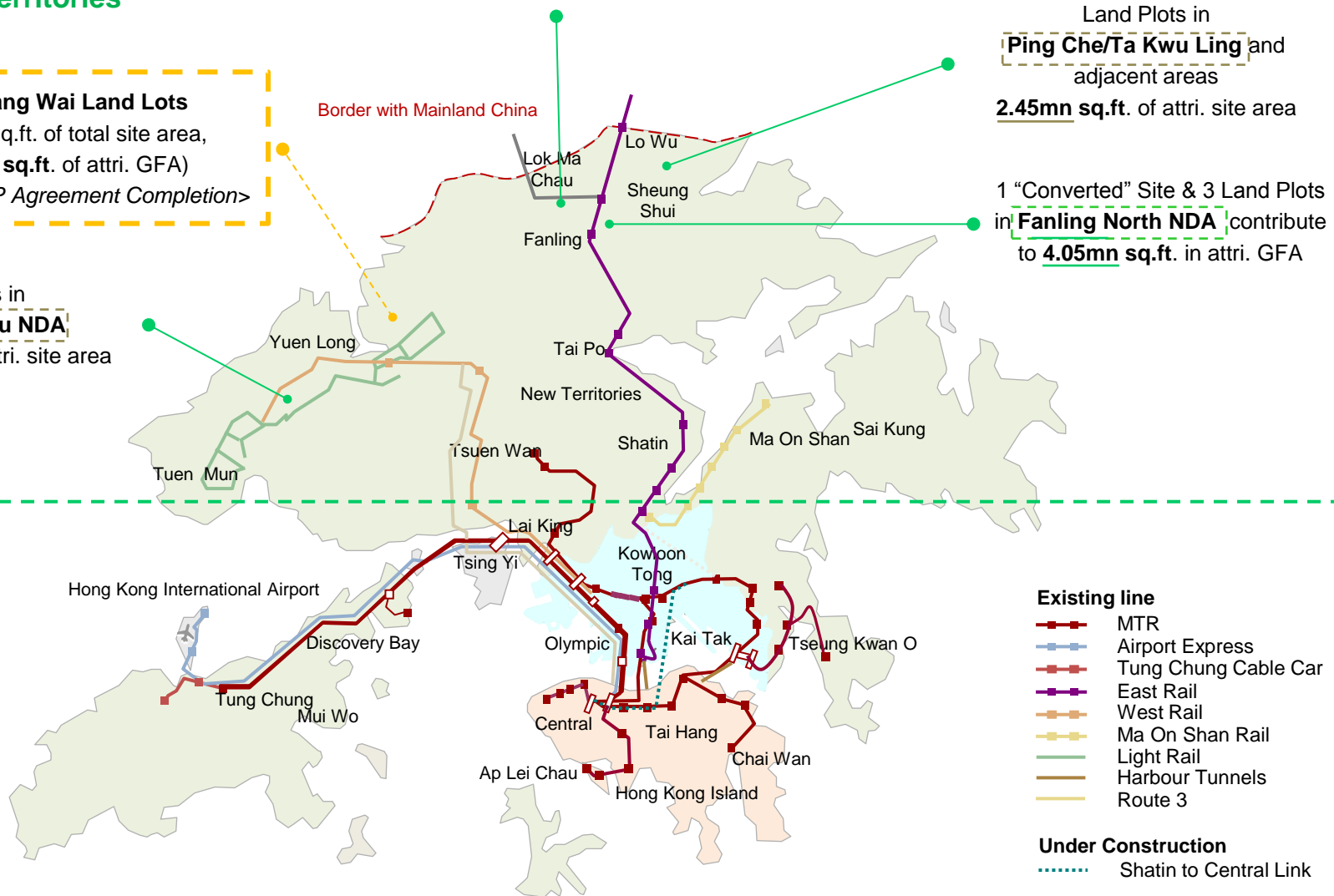
Land Plots in Hung Shui Kiu NDA

6.47mn sq.ft. of attri. site area

1 "Converted" Site in **Kwu Tung North NDA** contributes to **0.27mn 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 **4.05mn sq.ft.** in attri. GFA



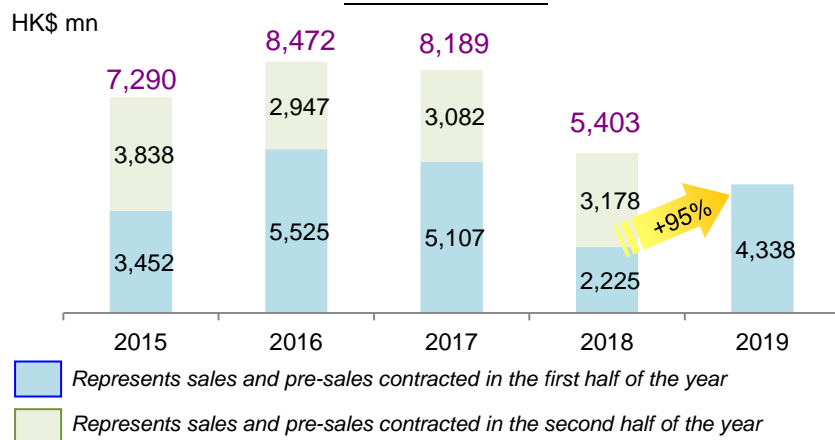


■ Property Development in Mainland China

- 4 Development Projects were completed in 1H 2019 with total attri. GFA of approx. 1.17 mn sq.ft. (1H 2018: 0.81 mn sq.ft.)
- Property with debut launch or new phase launched for sale/ pre-sale in 1H 2019

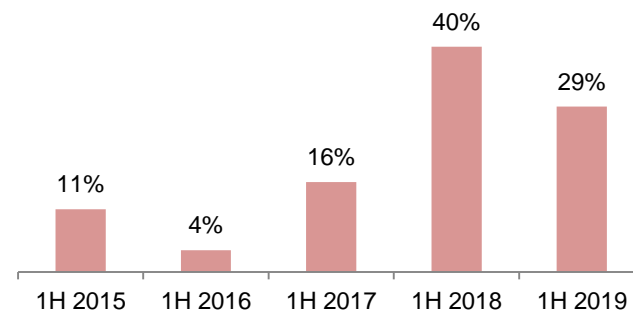
| City | Project name and location | HLD's interest |
|-----------|---|----------------|
| Guangzhou | Phase 1, Central Manor (建發九龍倉央璽) | 18% |
| Shanghai | Nanhui New Town Project (海上風華) | 32% |
| Shanghai | Nanhui New Town Project (東宸源著) | 25% |
| Suzhou | Luzhi Project (和庭) | 50% |
| Suzhou | Phase 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 Operating Margin* in Mainland China



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

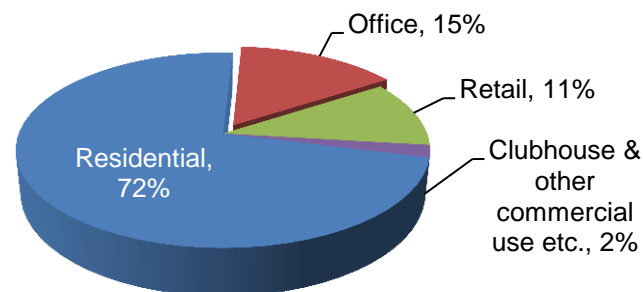
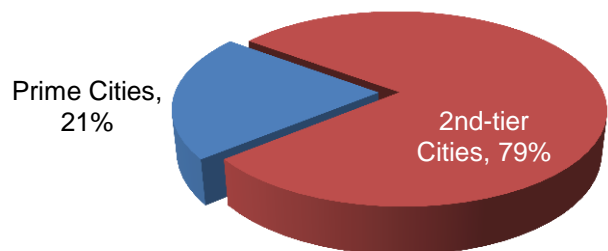


■ Property Development in Mainland China

- Projects with significant sale/ pre-sale in 2H 2019

| City | Project name and location | HLD's interest |
|-----------|--|----------------|
| Beijing | Lakeside Mansion (祥雲賦) | 24.5% |
| Changsha | The Landscape (湖山賦) | 50% |
| Guangzhou | Phase 2, Central Manor (建發九龍倉央璽) | 18% |
| Guangzhou | Tower 1-6, Zengcheng Development (潤悅) | 10% |
| Hefei | Phase 1, Binhu Development (濱湖區BH2019-12號地塊) | 50% |
| Nanjing | Phase 3, Emerald Valley (玲瓏翠谷) | 50% |
| Suzhou | Xukou Project (弘庭) | 50% |

■ Development Land Bank with total attri. GFA of about 32.58mn sq.ft. (end of 2018: 32.04mn sq.ft.)



Property Investment Business



Steady Rental Income from Investment Properties

- Completed investment property portfolio
 - Hong Kong: 8.9 mn sq. ft. as at 30 Jun 2019
est. **9.9 mn sq.ft.** by the end of 2022
 - Mainland China: 6.4 mn sq. ft. as at 30 Jun 2019
est. **11.8 mn sq.ft.** by the end of 2021



Citygate Outlets' New Extension
(20% owned)

Completed in Mar 2019

Total GFA: 470,000 sq.ft. on 100% basis

| Leasing Business | Gross Rental Income* | | Change | | Net Rental Income* | | Change | |
|------------------|----------------------|--------------|--------|--------|--------------------|--------------|--------|--------|
| | 1H 2019 | 1H 2018 | RMB | HKD | 1H 2019 | 1H 2018 | RMB | HKD |
| (HK\$ mn) | | | | | | | | |
| Hong Kong | 3,666 | 3,511 | | ↑ 4% | 2,853 | 2,785 | | ↑ 2% |
| Mainland China | 923 | 943 | ↑ 4% | ↓ -2%# | 732 | 749 | ↑ 4% | ↓ -2%# |
| Total | 4,589 | 4,454 | | ↑ 3% | 3,585 | 3,534 | | ↑ 1% |

The decrease in Gross Rental Income and Net Rental Income is partly due to

- 6% period-on-period depreciation of RMB against HKD (based on the average RMB/HKD exchange rate of 1H 2019 vs. 1H Y2018)

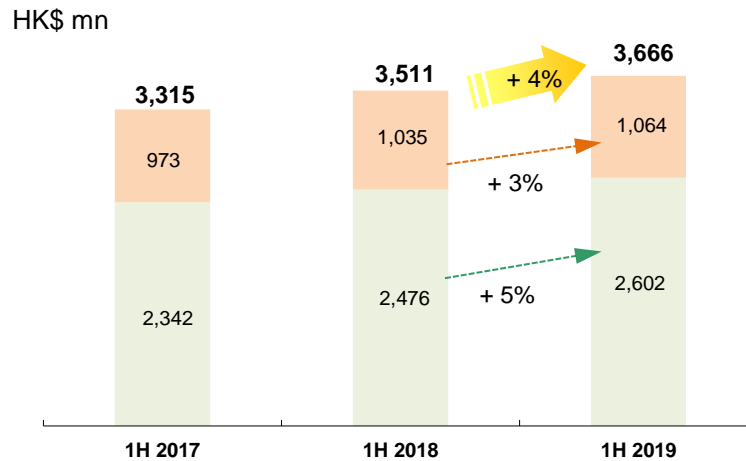
*All the above figures represent the Group's attributable share of contributions (before taxation) from investment properties held by subsidiaries, associates and joint ventures. Net rental income is stated before taxation.



Rising Rental Income from Investment Properties in Hong Kong

- Average committed occupancy rate of core investment properties in Hong Kong as at 30 June 2019: 98% (end of 2018: 98%)
- At 30 June 2019, the Group had approx. 7,500 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%)



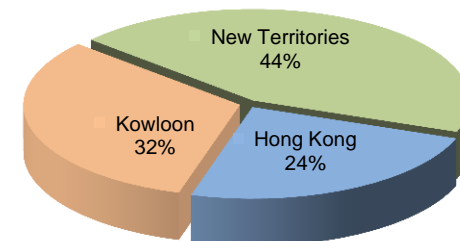
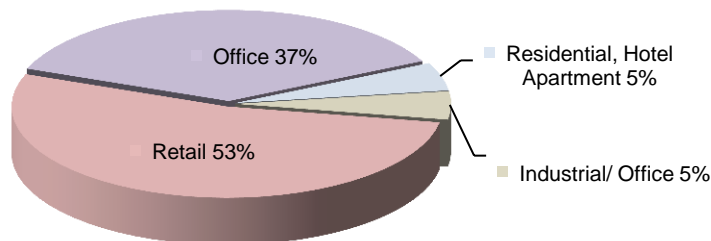
ifc (40.77% owned)

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 **8.9 mn sq. ft.** of attri GFA as of 30 Jun 2019





Investment Properties Pipeline in Hong Kong

| Investment Properties Pipeline | GFA (sq.ft.) | Completion |
|---|--|---|
| “H Zentre” 15 Middle Road, Tsim Sha Tsui Commercial & Medical Hub project (100% owned)  | Total: approx. 340,000 sq.ft. <i>of which</i> Commercial & Medical: approx. 236,000 sq.ft. | July 2019 <div style="border: 1px dashed orange; padding: 5px; text-align: center;">Under Pre-leasing</div> * \$65 psf GFA/mth |
| Electric Road Project , North Point Grade-A office building (100% owned)  | Total: approx. 144,000 sq.ft. <i>of which</i> Office: approx. 130,300 sq. ft. Retail: approx. 12,100 sq.ft. | Q3 2019 <div style="border: 1px dashed orange; padding: 5px; text-align: center;">Under Pre-leasing</div> * \$50 psf GFA/mth |
| 206-212 Johnston Road , Wanchai Office Redevelopment Project  | Total: approx. 64,920 sq.ft. <i>of which</i> Office: approx. 38,000 sq. ft. Retail / F&B: approx. 26,700 sq.ft. | Late 2020 * \$45 psf GFA/mth |
| Murray Road Project , Central Grade-A office tower (100% owned)  | Total: approx. 465,000 sq.ft. | 2022 * \$150 psf GFA/mth |

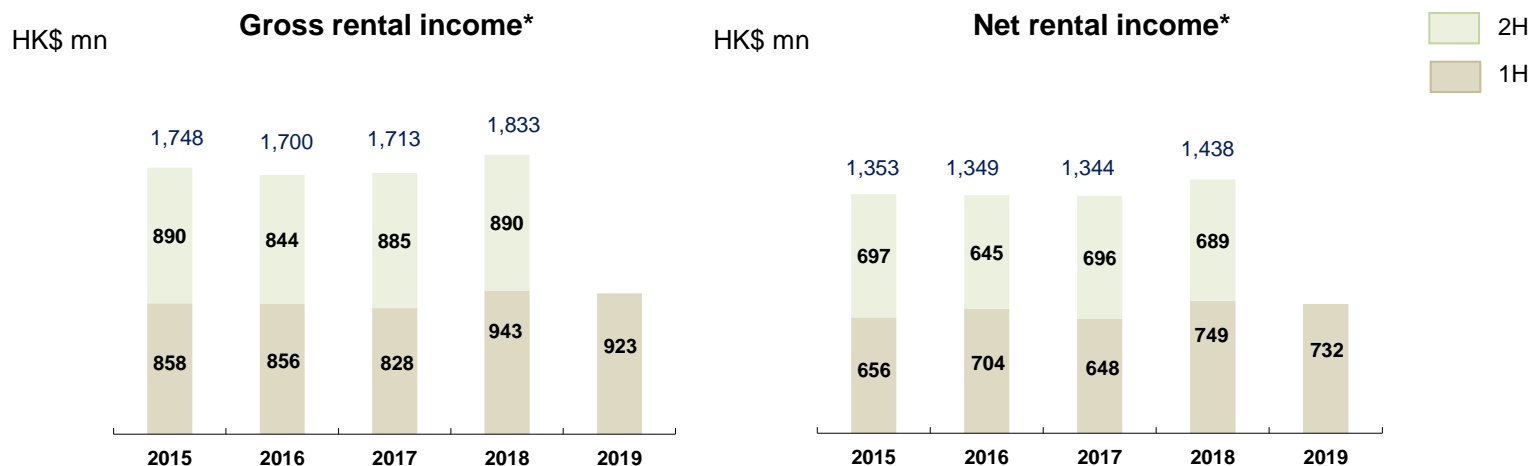


Satisfactory Rental Income from Investment Properties in Mainland China

- Satisfactory performance of key investment properties on the Mainland

| Property | Leasing Rate as at 30 Jun 2019 | Gross Rental Income For 1H 2019 | p-o-p Change | |
|----------------------------------|-----------------------------------|------------------------------------|--------------|------|
| | | | RMB | HKD |
| World Financial Centre, Beijing | ~ 98% | HK\$ 432 mn | ↑ 7% | ↑ 1% |
| Henderson Metropolitan, Shanghai | ~ 95% | HK\$ 129 mn | ↑ 9% | ↑ 3% |

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.) | Completion |
|--|--|---|
| “Lumina Shanghai” Phase 1 , Xuhui Riverside High-rise Grade A office building (100% owned) | 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 <div style="border: 1px dashed orange; padding: 5px; text-align: center;">Under Pre-leasing</div> * RMB6.5 psm GFA/day |
| “Lumina Shanghai” Phase 2 , Xuhui Riverside Large scale investment property comprising office towers, office pavilions and modern shopping malls (100% owned) | Total : approx. 964,000 sq.ft. <i>of which</i> Office: approx. 868,000 sq. ft. Retail: approx. 96,000 sq.ft. | 2021 * RMB6.5 psm GFA/day |
| “Lumina Guangzhou” , Haizhu Square Large scale investment property comprising office towers, office pavilions and modern shopping malls (100% owned) | Total : approx. 2,200,000 sq.ft. <i>of which</i> <u>Phase 1</u> Office: approx. 1,000,000 sq. ft. Retail: approx. 800,000 sq.ft. <u>Phases 2 and 3</u> Retail: Approx.400,000 sq.ft. | 2H 2019 <div style="border: 1px dashed orange; padding: 5px; text-align: center;">Under Pre-leasing</div> * RMB160 psm GFA/mth 2021 |
| Huaihai Middle Road Project , Shanghai Office and Retail (50% owned) | Total: approx. 280,000 sq.ft. <i>of which</i> Office: approx. 245,500 sq. ft. Retail: approx. 32,000 sq.ft. | 2H 2020 * RMB9 psm GFA/day |

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



- HKCG’s unaudited profit after taxation attributable to shareholders for 1H 2019: HK\$3,752 mn* (exclusive of HKCG’s share of revaluation surplus from ifc complex), down 5.3% p-o-p
- Dividend declared for 1H 2019 attributable to HLD: HK\$843 mn, up 10% p-o-p
- Total volume of gas sales in Hong Kong for 1H 2019 decreased by 2.4% to approximately 15,776 mn MJ
- Sole supplier of piped gas in Hong Kong with 1.92 mn customers (End of 2018: 1.91mn)
- Large-scale city-gas enterprise in Mainland China with around 28.52 mn customers (End of 2018: 27.54 mn)
 - Largest controlling shareholder of Towngas China Company Limited (“Towngas China”, stock code: 1083), with a 67.45% interest as of 30 June 2019. Towngas China’s profit after taxation attributable to its shareholders for 1H 2019 amounted to HK\$756 mn, up 14% over 1H 2018
 - Inclusive of Towngas China’s projects, HKCG had 260 projects at 30 June 2019 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 30 Jun 2019)

- ☑ Total Issued Shares: ~ 16,925 mn shares
- ☑ Market Capitalization: ~ HK\$293,141 mn
- ☑ Shareholders’ Equity: ~HK\$62,770 mn
- ☑ 41.53% owned by Henderson Land – single largest shareholder

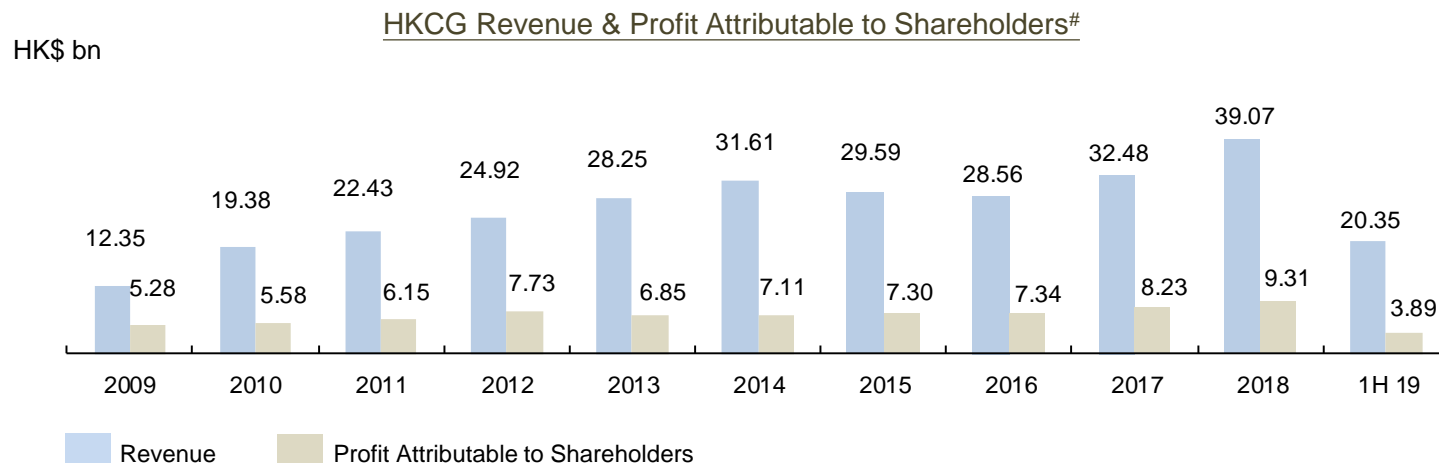
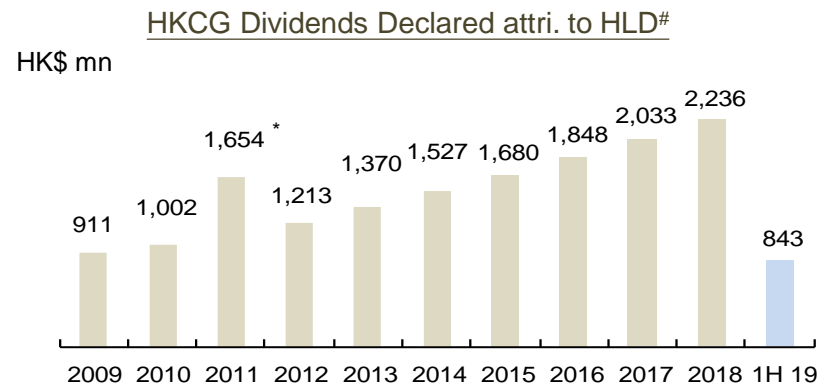
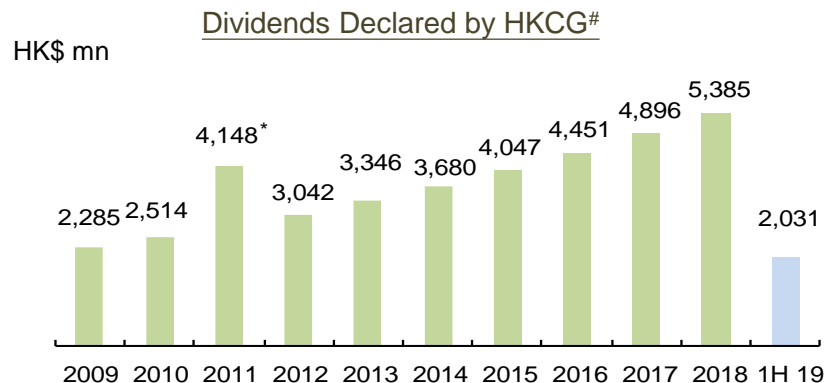
(Closing market price of HK\$17.32 per share as of 30 Jun 2019)

Group Project Coverage



* Inclusive of HKCG’s share of revaluation surplus from the International Finance Centre (“ifc”) complex, the unaudited profit after taxation attributable to shareholders amounted to HK\$3,889 mn

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



#Data for the years ended 31 December for full financial year results and period ended 30 June for 2019 Interim results

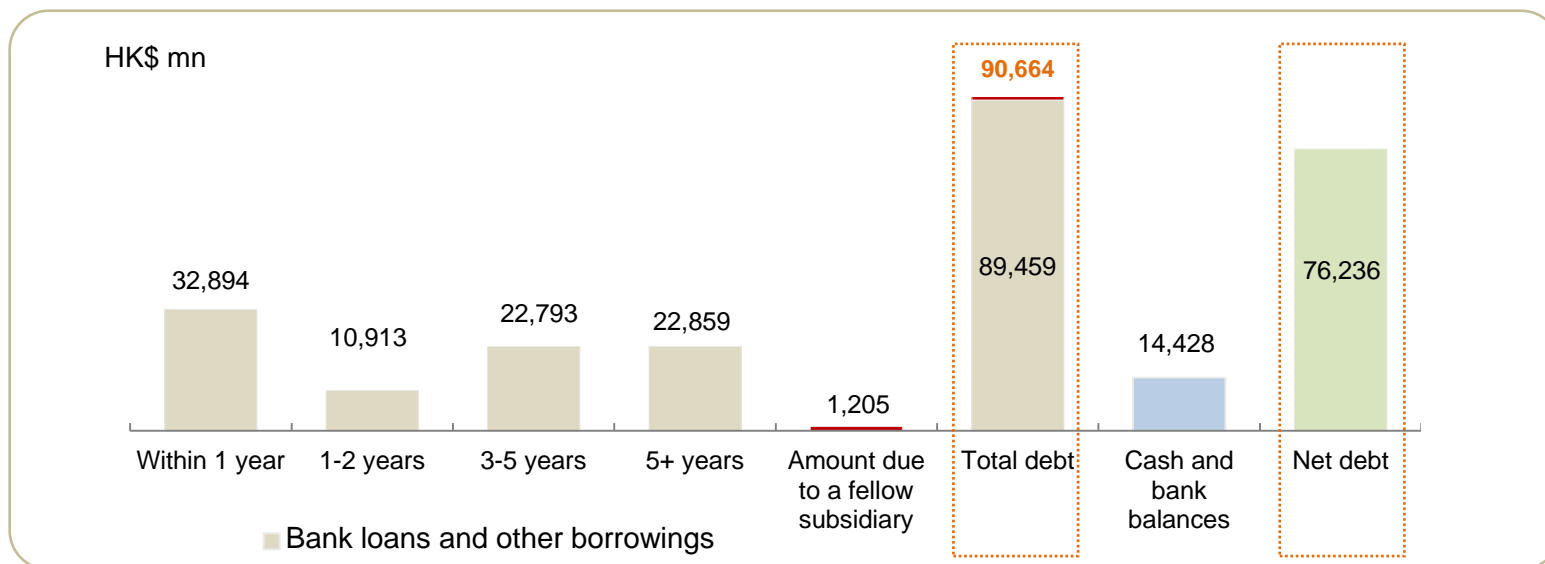
* Including approximately HK\$1,383 mn of special dividend declared in March 2012 for celebrating HKCG's 150th Anniversary in 2012, of which ~HK\$551 mn was attributable to HLD.

Strong Financial Position



- Financial Gearing Ratio[^] maintained at healthy level of 24.2% as at 30 June 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\$15.5 bn at 30 June 2019

[^] refers to net debt to shareholders' equity ratio
- Interest Cover[#] of 7 times for 1H 2019 (*1H 2018: 17 times*)
- Effective Borrowing Rate at approx. 2.62% p.a. for 1H 2019 (*1H 2018: approx. 2.12% p.a.*)
- Debt Maturity Profile as at 30 June 2019
 - Weighted Average Debt Maturity of 3.34 Years as at 30 June 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 period, but before change 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)

- “Barring unforeseen circumstances, FY2019 Operational Performance of the Group is expected to be stable”

Property Sales

- ✓ 3 projects for pre-sale/sale launch in Hong Kong in 2H 2019
- ✓ Together with the unsold stocks, a total of over 1,400 residential units and over 250,000 sq. ft. of quality commercial/office space in HK will be available for pre-sale/sale in 2H 2019
- ✓ Closely follow up the investment opportunities in the Greater Bay Area, whilst co-operation with local property developers will also be enhanced

Property Leasing

- ✓ Successive completion/opening of “H-Zentre” at Middle Road, Electric Road project and “Citygate Outlets” extension in Tung Chung, as well as “Lumina Guangzhou” Phase 1 in Haizhu Square of Mainland China in 2H 2019 will expand Group’s rental portfolio to 9.4 mn sq.ft. and 8.2mn sq. ft. in attri. GFA by the end of 2019 in HK and Mainland China respectively
- ✓ Murray Road Project in HK and “Lumina Shanghai” in Xu Hui Riverside of Shanghai in pipeline will further contribute to the Group’s rental portfolio

Associates

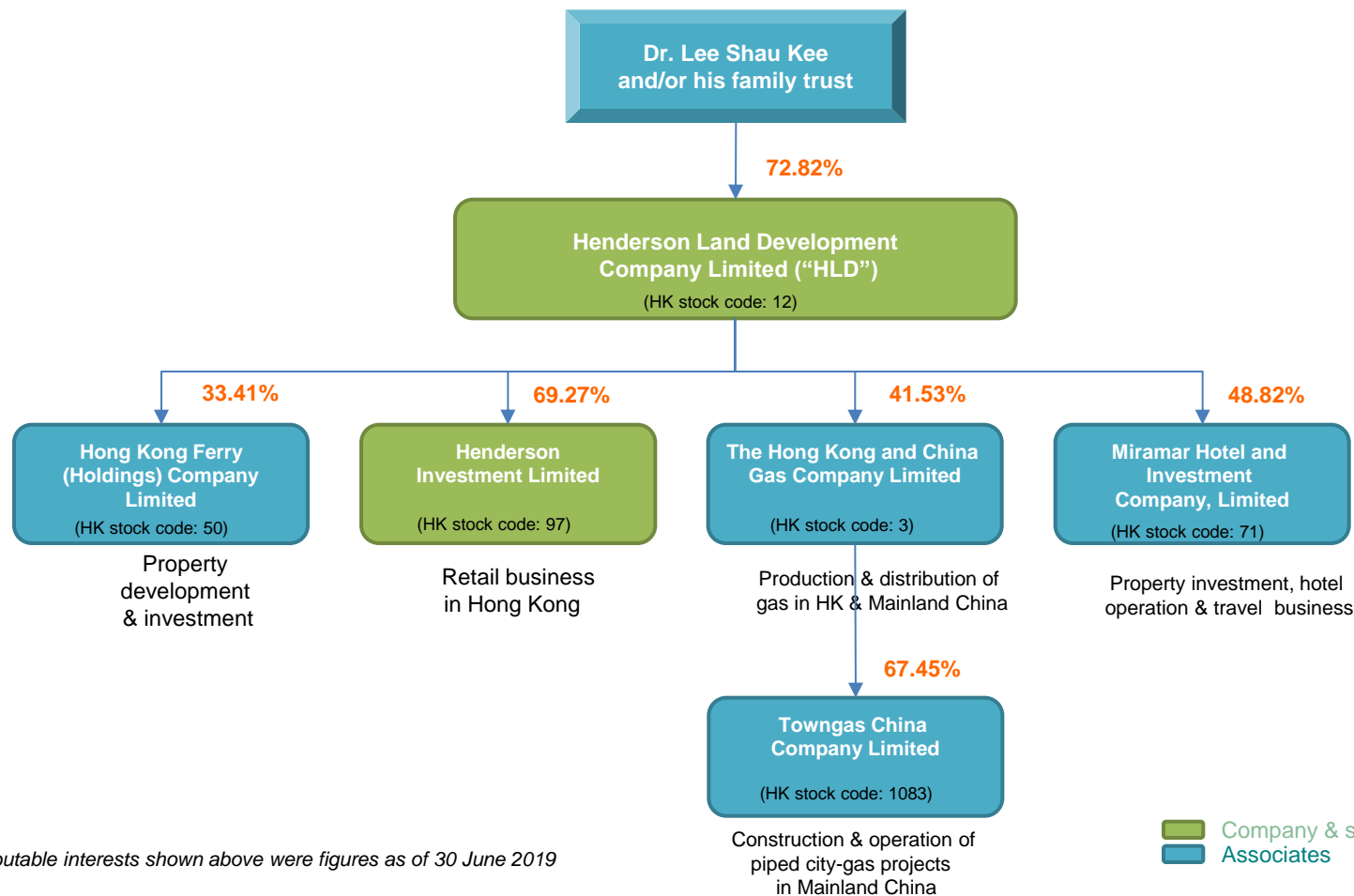
- ✓ Three listed associates, namely HKCG, Miramar Hotel and Investment Company, Limited and Hong Kong Ferry (Holdings) Company Limited serve as another steady recurrent income stream to the Group
- ✓ For HKCG, its portfolio included 260 projects in Mainland China. With a total of over 30 mn piped-gas 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 30 June 2019 (31 December 2018: 72.82%)

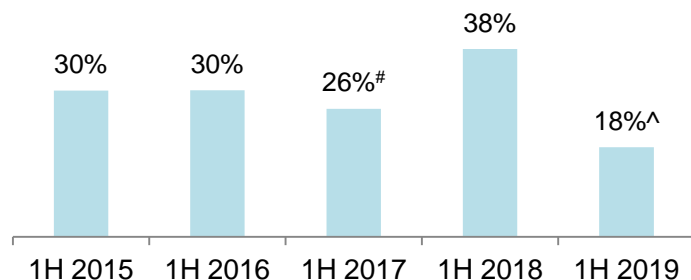


All attributable interests shown above were figures as of 30 June 2019

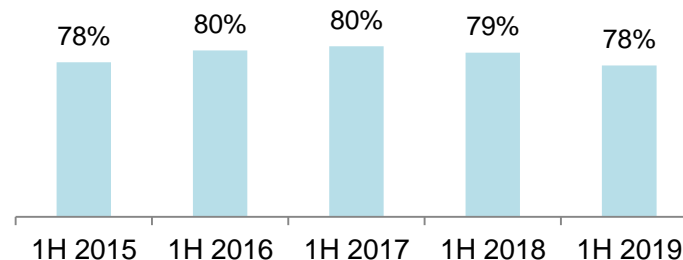
Annex 1.2: Operating Margin



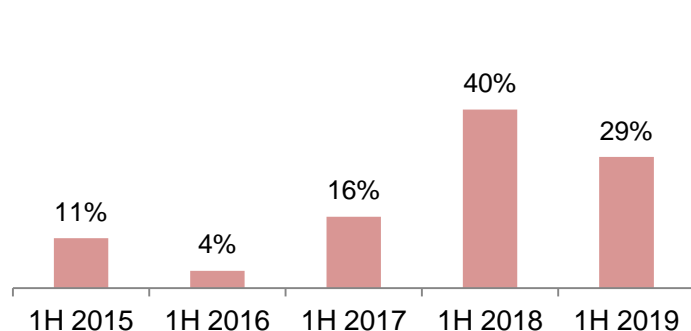
Hong Kong
Property Development Operating Margin*



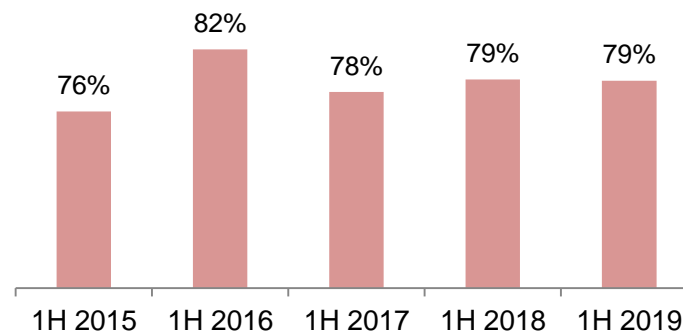
Hong Kong
Property Leasing Operating Margin*



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 accounting period is recognized on the basis that control over the ownership of the property has been passed to the buyer during the current accounting 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 2019 were "Seven Victory Avenue", "Park One" and "Park Reach", while "Eden Manor", "NOVUM EAST" and "South Walk · Aura" are expected to be the major contributors in 2H 2019

Annex 2.1.1:

Inventories from major launched projects for sale



| | | Usage* | HLD interest | Attri. C* area for rental | Inventories as at 30 Jun 2019 | Saleable area attri. to HLD (sq. ft.) |
|---------------------------------|--|--------|--------------|---------------------------|-------------------------------|---------------------------------------|
| 1 | Eden Manor – 88 Castle Peak Road, Kwu Tung | R | 100% | - | 283 | 332,432 |
| 2 | Double Cove (Phases 1 - 5) – 8 Wu Kai Sha Road, Ma On Shan | C/R | 59% | 63,087 | 80 | 88,684 |
| 3 | Cetus • Square Mile, 18 Ka Shin Street, Mong Kok | C/R | 100% | 21,161 | 97 | 27,338 |
| 4 | Wellesley – 23 Robinson Road, Mid-Levels | R | 50%# | - | 28 | 23,602 |
| 5 | NOVUM EAST – 856 King's Road, Quarry Bay | C/R | 100% | 27,783 | 81 | 22,494 |
| 6 | The Vantage – 63 Ma Tau Wai Road, Hung Hom | C/R | 100% | 34,534 | 83 | 22,898 |
| 7 | The Addition – 342-356 Un Chau Street, Cheung Sha Wan | C/R | 100% | 14,227 | 73 | 22,133 |
| 8 | Hill Paramount - 18 Hin Tai Street, Shatin | R | 100% | -- | 4 | 11,742 |
| 8 | Reach Summit – 99A Tai Tong Road, Yuen Long | R | 79.03% | - | 30 | 7,933 |
| 10 | Green Lodge – 23 Ma Fung Ling Road, Yuen Long | R | 100% | -- | 2 | 6,617 |
| 11 | South Walk • Aura, 12 Tin Wan Street, Aberdeen | C/R | 100% | 2,525 | 29 | 6,870 |
| 12 | NOVUM WEST – 460 Queen's Road West, Sai Ying Pun | C/R | 100% | 30,250 | 15 | 6,574 |
| 13 | Seven Victory Avenue – 7 Victory Avenue, Ho Man Tin | C/R | 100% | 9,952 | 14 | 5,447 |
| 14 | The Reach – 11 Shap Pat Heung Road, Yuen Long | R | 79.03% | -- | 3 | 3,260 |
| 15 | H • Bonaire – 68 Main Street, Ap Lei Chau | C/R | 100% | 5,228 | 4 | 2,553 |
| 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 | The Globe – 79 Wing Hong Street, Cheung Sha Wan | O | 100% | -- | n.a. | 62,134 |
| 19 | E-Trade Plaza – 24 Lee Chung Street, Chai Wan | O | 100% | -- | n.a. | 60,359 |
| 20 | Mega Cube – 8 Wang Kwong Road, Kowloon Bay | O | 100% | -- | n.a. | 48,622 |
| Total (Project no. 1-20) | | | | 208,747 | 828 | 840,603 |

*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 | 64,130 | | 717,795 sq.ft. @ Mid-Levels | 64,130 |
| (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) 33-47 Elgin Street, Mid-Levels | | | 11,775 | 93,594 | 93,594 |
| (8) 1-19 Chung Ching Street and 21 Ki Ling Lane, Sheung Wan | 7,858 | 90,092 | | | 90,092 |
| (9) 206-212 Johnston Road, Wanchai (Note 1) | 4,328 | 64,920 | | | 64,920 |
| (10) 13-21 Wood Road and 22-30 Wing Cheung Street, Wanchai | 6,392 | 51,068 | 2,208 | 19,722 | 70,790 |
| (11) 2 Tai Cheong Street, Sai Wan Ho | 13,713 | 134,421 | | | 134,421 |
| (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) 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 |
| (15) 83-95 Shek Pai Wan Road and 2 Tin Wan Street, Aberdeen | 4,950 | 42,025 | 1,128 | 10,716 | 52,791 |
| (16) 4-6 Tin Wan Street, Aberdeen | | | 1,740 | 14,790 | 14,790 |
| (17) 65-71 Main Street, Ap Lei Chau | 4,800 | 40,380 | | | 40,380 |

Sub-total(Hong Kong):

109,945

836,904
(-1% ytd)

111,502

584,479
(flat ytd)

1,421,383
(-1% ytd)

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.) | |
| (18) 2 Tak Shing Street, Tsim Sha Tsui | 10,614 | 89,381 | | | 89,381 |
| (19) Various projects spanning Ka Shin Street, Kok Cheung Street, Pok Man Street, Man On Street and Tai Kok Tsui Road, Tai Kok Tsui | 26,953 | 242,512 | 31,805 | 286,239 | 528,751 @ Tai Kok Tsui |
| (20) 456-466 Sai Yeung Choi Street North and 50-56 Wong Chuk Street, Sham Shui Po (Note 2) | 22,889 | 203,962 | | | 203,962 |
| (21) 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 |
| (22) 11-19 Wing Lung Street, Cheung Sha Wan (Note 2) | 6,510 | 58,300 | | | 58,300 |
| (23) Various projects spanning Gillies Avenue South, Baker Street, Whampoa Street and Bulkeley Street, Hung Hom | 54,475 | 490,196 | 57,575 | 518,179 | 1,008,375 @ Hung Hom |
| (24) 68-76B 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 |
| (25) 67-83 Fuk Lo Tsun Road, Kowloon City (Note 2) | 10,954 | 96,696 | | | 96,696 |
| (26) 4-22 Nam Kok Road, Kowloon City | 2,817 | 23,945 | 7,360 | 62,560 | 86,505 |
| (27) 3 Mei Sun Lane, Tai Po | | | 6,487 | 37,041 | 37,041 |
| Sub-total(Kowloon and New Territories): | 170,538 | 1,515,613 (+4% ytd) | 155,933 | 1,359,974 (-11% ytd) | 2,875,587 (-4% ytd) |
| Total: | 280,483 | 2,352,517 (+2% ytd) | 267,435 | 1,944,453 (-8% ytd) | 4,296,970 (-3% ytd) |

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 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 530 units were completed with occupation permits |
| 2 | Projects pending sale in 2H 2019 | 0.2 | |
| Sub-total | | 1.0 | |
| (B) Area available for sale and leasing: | | | |
| 3 | Existing urban redevelopment projects | 1.1 | 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 2020 - 2021 |
| 5 | Newly-acquired urban redevelopment projects – with over 80% ownership secured | 1.9 | Most of them are expected to be available for sale in 2021 – 2023 |
| 6 | Newly-acquired urban redevelopment projects – with over 20% but less than 80% ownership secured (Note 2) | 0.8 | Redevelopments of these projects are subject to consolidation of their ownerships |
| 7 | H Zentre, Tsim Sha Tsui | 0.3 | To be held for rental purposes upon completion |
| 8 | Murray Road, Central | 0.5 | To be held for rental purposes upon completion |
| 9 | Kai Tak Development Area | 1.6 | Expected to be available for sale in 2020 – 2021 |
| 10 | Castle Peak Road / Un Chau Street | 0.1 | Expected to be available for sale in 2021 |
| Sub-total | | 8.7 | |
| Total of Sections (A) and (B) | | 9.7 | |

Notes:

1. 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.
2. The 30 projects have a total estimated attributable GFA of ~1.91 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: ~0.77 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 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 |
| • Wo Shang Wai | 0.9 | Note 2 |
| • Fanling Sheung Shui Town Lot No. 262, Fanling North | 0.6 | |
| • Fanling Sheung Shui Town Lot No. 263, Kwu Tung | 0.3 | |
| • Others (incl. Lot No. 1752 in DD No. 122 Tong Yan San Tsuen project) | 0.3 | |
| Sub-total | 5.6 | |
| Total for Sections (A), (B) and (C) | 15.3 | |

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.

2. After the end of reporting period, an agreement was entered into in relation to the disposal of Wo Shang Wai project. The transaction is pending for completion.

Urban Redevelopment Projects Pipeline

| | Address | 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 | 3,992,604 | 22.8% | -- | 910,314 |
| 2 | 218 Electric Road, North Point, Hong Kong (Note 2) | 9,600 | 144,000 | 100% | 144,000 | |
| 3 | 29A Lugard Road, The Peak, Hong Kong | 23,653 | 11,709 | 100% | -- | 11,709 |
| Total | | 843,707 | 4,148,313 | -- | 1,066,023 | |

Note:

1. The modified master layout plan was approved in February 2015. It is now pending finalization of land premium with the Government.
2. Investment property

Annex 3.1:

Development Land-bank in Mainland China



Land bank under/ for development as of 30 June 2019



A “Two-pronged” strategy

| | No. of Projects | Attributable GFA* (mn sq. ft.) |
|-----------------------------|-----------------|-----------------------------------|
| 1. Beijing | 2 | 0.79 |
| 2. Shanghai | 5 | 3.57 |
| 3. Guangzhou | 3 | 2.31 |
| 4. Shenzhen | 1 | 0.21 |
| 5. Changsha, Hunan | 2 | 5.07 |
| 6. Chengdu, Sichuan | 1 | 3.28 |
| 7. Hefei, Anhui | 1 | 0.64 |
| 8. Nanjing, Jiangsu | 1 | 0.19 |
| 9. Shenyang, Liaoning | 1 | 4.45 |
| 10. Suzhou, Jiangsu | 4 | 2.30 |
| 11. Xian, Shaanxi | 1 | 6.91 |
| 12. Xuzhou, Jiangsu | 1 | 0.62 |
| 13. Yixing, Jiangsu | 1 | 2.24 |
| TOTAL at 30 Jun 2019 | 24 | 32.58 |
| TOTAL at 31 Dec 2018 | 24 | 32.04 |

Prime cities:
6.88 mn sq. ft.

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

*Excluding basement areas and car parking spaces

Annex 3.2.1:

Completion Schedule in Mainland China



- As of 30 June 2019, the Group had about 0.8 mn sq. ft. in attri. GFA# of completed inventories in Mainland China.
- Projects completed in 1H 2019:

| Project name and location | Project type | GFA (sq. ft.)# | GFA attributable to HLD (sq. ft.)# |
|--|----------------------------------|----------------|------------------------------------|
| Phase 3, Henderson • Country Garden Jin Shi Tan Project (翠巒), Dalian | Residential | 130,000 | 65,000 |
| Phase 3B, Palatial Crest (恒基 • 碧翠錦華) on Jin Hua North Road, Xian | Residential & Commercial | 255,000 | 255,000 |
| Phase 3R2 & 3P1, La Botanica (御錦城), Xian | Residential, Commercial & School | 942,000 | 471,000 |
| Phase F-2A, Grand Lakeview (譽瓏湖濱), Dongjiu District, Yixing | Residential & Commercial | 756,000 | 378,000 |
| Total | | 2,083,000 | |
| Total estimated GFA attributable to HLD | | | 1,169,000 |

- Completion schedule for 2H 2019:

| Project name and location | Project type | Estimated GFA (sq. ft.)# | Estimated 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 |
| 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 | 1,007,000 | 302,000 |
| Phase A, B & C, Lumina Guangzhou (星寰國際商業中心), Yuexiu District, Guangzhou | Commercial | 1,775,000 | 1,775,000 |
| Xukou Project (弘庭), Wuzhong District, Suzhou | Residential | 1,304,000 | 652,000 |
| Luzhi Project (和庭), Wuzhong District, Suzhou | Residential | 462,000 | 231,000 |
| Phase 3R2, La Botanica (御錦城), Xian | Commercial | 80,000 | 40,000 |
| Phase 4A, Grand Paradise (恒基 • 雍景新城), Dalong Lake Area, Xuzhou | Commercial | 172,000 | 172,000 |
| Total | | 5,214,000 | |
| Total estimated GFA attributable to HLD | | | 3,462,000 |

#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 attri. 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 | 3,188,000 | 1,594,000 |
| Lot B – B03, The Arch Chengdu, ICC (成都環貿廣場 – 凱旋門), Dongda Road, Commercial and Financial District, Chengdu | Commercial | 877,000 | 263,000 |
| Phase 1, Binhu Development, Binhu District, (濱湖區項目) Hefei | Residential | 1,280,000 | 640,000 |
| Phase 3, Emerald Valley (玲瓏翠谷), Xianlin District, Nanjing | Residential / Commercial | 336,000 | 168,000 |
| Phase 1, Nanhui New Town Project (東宸源著), Shanghai | Residential | 824,000 | 206,000 |
| Phase 1, Nanhui New Town Project (海上風華), Shanghai | Residential | 794,000 | 254,000 |
| 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, (星揚西岸中心), Xuhui District, Shanghai (188S-C-4, 188S-D-1) | Commercial | 977,000 | 977,000 |
| Middle Huaihai Road Project (淮海中路項目), Shanghai | Commercial | 278,000 | 139,000 |
| Phase 1, Xushuguan Economic Development Zone Project (寬閱雅苑), Suzhou | Residential | 771,000 | 270,000 |
| Phase 1S1, La Botanica (御錦城), Xian | School | 98,000 | 49,000 |
| Phase 2R5, La Botanica (御錦城), Xian | Residential & Commercial | 1,900,000 | 950,000 |
| Phase 4C, Grand Paradise (恒基 · 雍景新城), Dalong Lake Area, Xuzhou | Commercial | 53,000 | 53,000 |
| 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 | | 17,502,000 | |
| Total estimated GFA attributable to HLD | | | 9,298,000 |

#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 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 • 30 Jun 2019 | ~98% | ~92% | ~94% | ~90% | ~94% | ~95% | ~89% | ~72% (renovation works partially completed) |

[^]Excluding car parking spaces and basement retail area



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