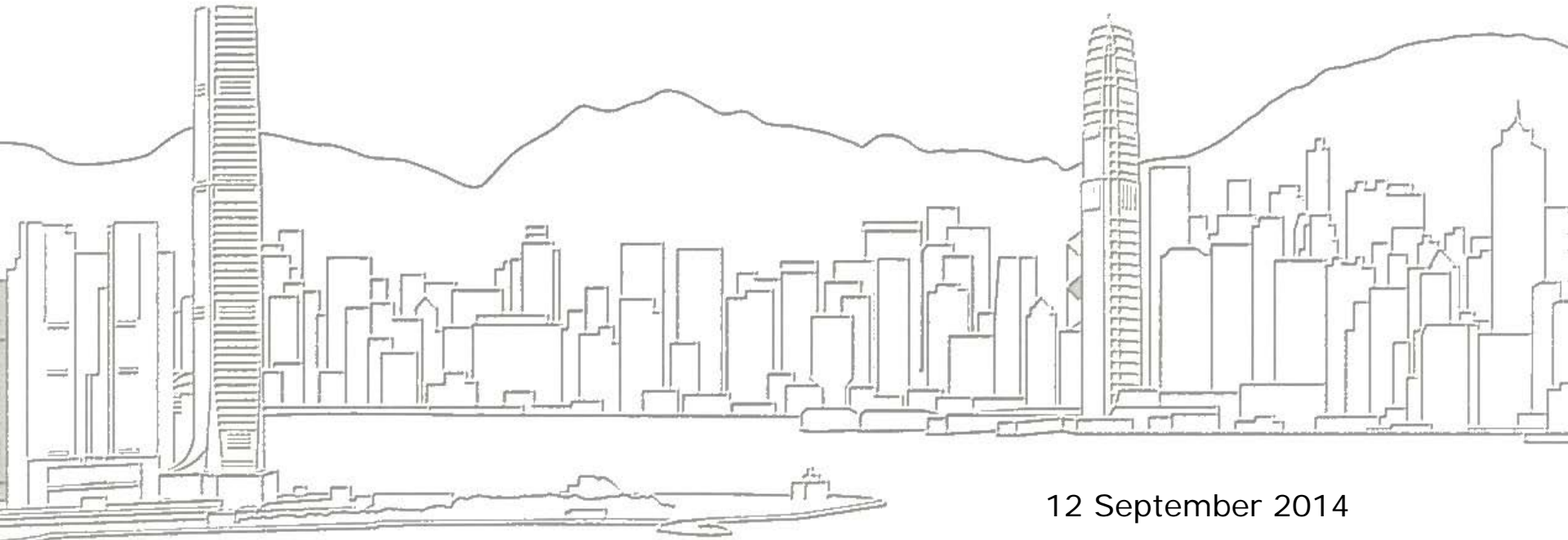




Sun Hung Kai Properties

Building Homes with Heart

Final Results - FY2014



12 September 2014

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Final Results Highlights



Results Summary

Year ended 30 June

	2014	2013	Change
Underlying net profit* (HK\$ million)	21,415	18,619	+15.0%
Underlying earnings per share* (HK\$)	7.95	7.05	+12.8%
Reported net profit (HK\$ million)	33,520	40,329	-16.9%
Reported earnings per share (HK\$)	12.45	15.28	-18.5%
Final dividend per share (HK\$)	2.40	2.40	-
Total dividend per share (HK\$)	3.35	3.35	-

Remarks:

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



Profit Breakdown By Segment*

Year ended 30 June
(in HK\$ million)

	2014	2013	Change
(1) Property sales			
Hong Kong	7,568	6,444	
Mainland	2,915	673	
Singapore	28	73	
Sub-total	10,511	7,190	+46.2%
(2) Property rental			
Hong Kong	11,428	10,249	
Mainland	2,298	1,467	
Singapore	546	520	
Sub-total	14,272	12,236	+16.6%
(3) Hotel operation	1,252	937	+33.6%
(4) Other businesses	3,516	3,539	-0.6%
Total (1)+(2)+(3)+(4)	29,551	23,902	+23.6%

Remarks:

* Including shares of Associates and JCEs



Financial Position

	30 Jun 14	31 Dec 13	30 Jun 13
Gearing Ratio* (The full payment of land premium for Xujiahui Centre project was made in January 2014)	15.7%	12.9%	12.5%
Shareholders' Funds (HK\$ million)	414,783	402,589	385,912
Net Debt (HK\$ million)	65,203	51,986	48,159
	FY2014		FY2013
Interest Cover**	11.1x		8.7x

Remarks:

* Calculated on the basis of net debt to Company's shareholders' funds

** Measured by the ratio of operating profit to total net interest expenses including those capitalized



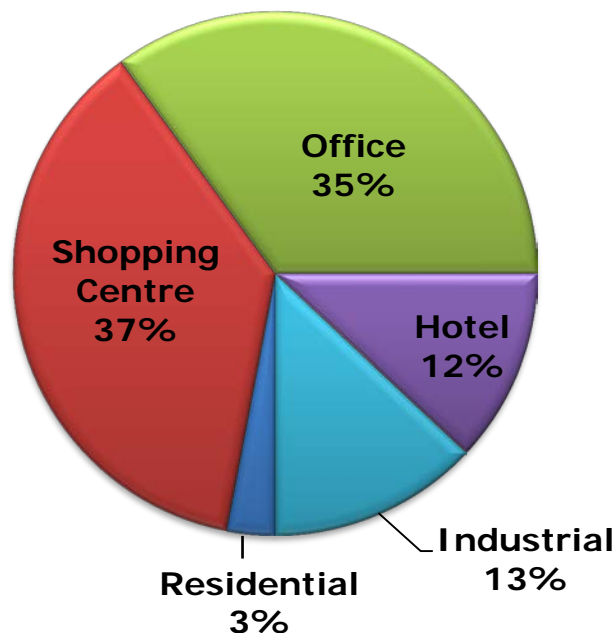
Property Business

Hong Kong

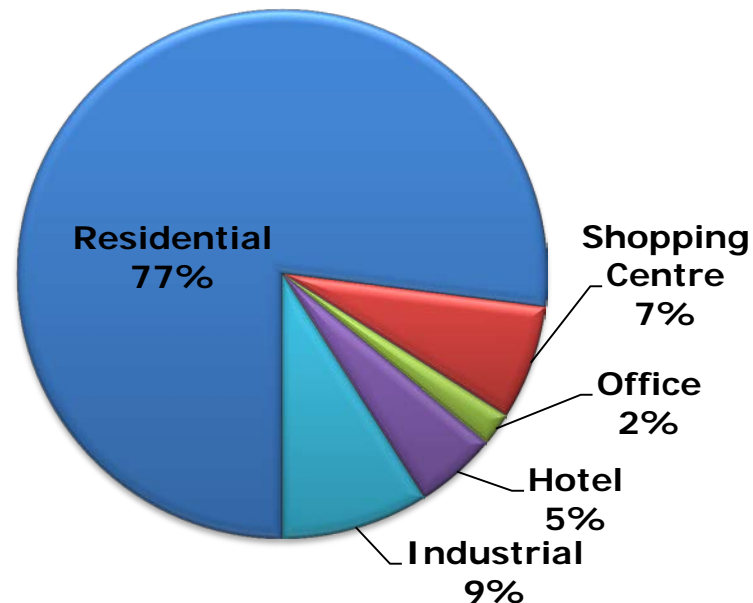


Hong Kong Land Bank

- Total land bank: 46.9m sq ft (as at 30 June 2014)
 - Excluding about 27m sq ft (site area) of farmland



Completed investment properties
Total: 28.7m sq ft



Properties under development
Total: 18.2m sq ft

Land Acquisitions in Hong Kong

- 8 new sites added for the year under review

<u>Location</u>	<u>Group's Interest (%)</u>	<u>Usage</u>	<u>Attributable GFA (sq ft)</u>
LOHAS Park Package 4	JV	R	1,316,000
Sha Tin Town Lot No. 581	100	R	431,000
1-3 Church Lane, Shau Kei Wan	92	R/S	342,000
Yuen Long Town Lot No. 528	100	R	232,000
Tuen Mun Town Lot No. 509	100	R/S	167,000
18-20 Caine Road, Mid-Levels West	92	R	127,000
23 Babington Path, Mid-Levels West	82.8	R	59,000
Tseung Kwan O Town Lot No. 122*	74	D	351,000
Total			<u>3,025,000</u>

Key : R=Residential, S=Shops / Shopping Centre, D=Data Centre

*This site is owned by SUNeVision and will be developed into a new data centre for its business expansion

- Further acquired 2 residential sites adjacent to the HK Wetland Park (about 2.3m sq ft of GFA) in July



Hong Kong Property Development

- Completed nine projects with about 2.8m sq ft of attributable GFA
 - ~2.5m sq ft of residential properties
 - ~200,000 sq ft of offices
 - ~110,000 sq ft of retail space
- Booked over HK\$27bn property sales* with satisfactory margin, mainly from
 - The Wings II
 - Riva
 - Century Gateway II
 - The Cullinan

Remarks:

**Including shares of Associates and JCEs*



Contracted Sales in Hong Kong

- Achieved better-than-expected contracted sales of over HK\$20bn
 - Major residential projects
 - Riva
 - Century Gateway II
 - The Cullinan
 - Imperial Kennedy
 - Mount One
 - Major non-residential property
 - One Harbour Square (Office)



Major Launches in FY15

Major projects recently launched:

(1) The Wings IIIA

- Located in Tseung Kwan O
- Launched in August
- Sold 398 units in 3 weeks

(2) W50 - office

- Located in Wong Chuk Hang
- Launched in July
- Nearly sold out

Upcoming major launches:

(1) The Wings IIIB

- SHKP Stake: 100%
- Location: Tseung Kwan O
- Residential GFA: 234,000 sq ft

(2) Tung Chung Project Ph 1

- SHKP Stake: 100%
- Location: Tung Chung
- Residential GFA: 820,000 sq ft



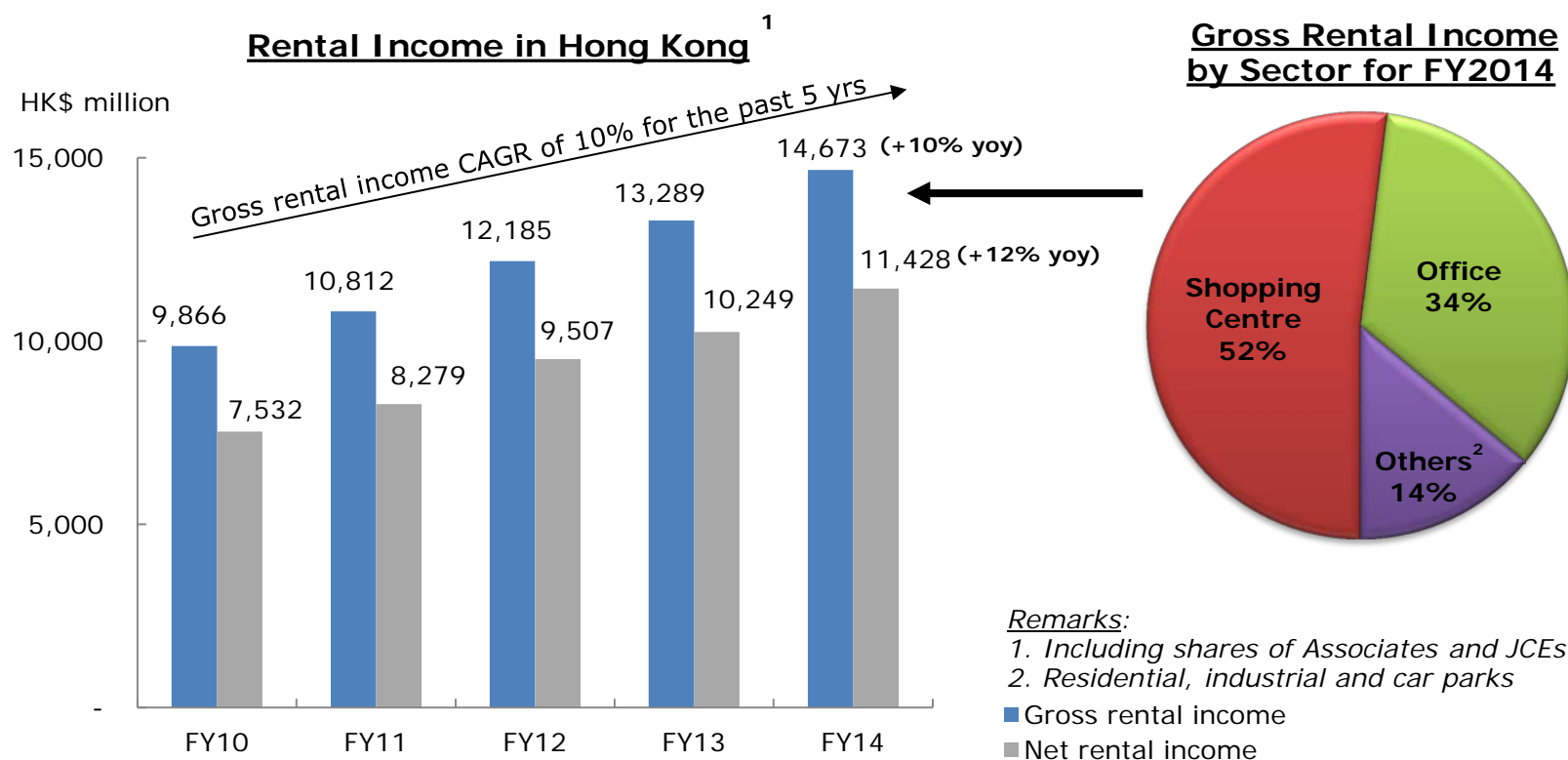
Hong Kong Property Investment

- Steadily-growing rental income accounted for a significant part of the Group's profit
 - Accounted for 39% of Group's operating profit
- Diversified portfolio of over 28m sq ft
 - Primarily located along the railway lines
 - Constant upgrades with premium management services
 - Overall occupancy at around 95%
 - Positive rental reversions



Rental Income – Hong Kong

- Gross rental income increased 10% yoy



Hong Kong Retail Portfolio

- A leading player in Hong Kong's retail leasing market with over 10m sq ft of GFA
 - Covering both populous and tourism-focused areas
- Major malls outperformed the overall market in terms of retail sales growth
- Positive rental reversions with high occupancies
- Gross rental income of around HK\$7.7bn for the year under review, up about 14% yoy



Continuous Portfolio Strengthening

- V City (New Addition)
 - 270,000-square-foot shopping mall above MTR Tuen Mun station opened in August 2013
 - Stronger than expected traffic and tenant sales
 - New shopping spot attracting young locals, families and tourists
- Grand Century Place (Reconfiguration)
 - Highly value-accretive
 - First phase completed and second phase to be completed in 2015



Retail Network Expansion

- Mall at YOHO Midtown in Yuen Long
 - Scheduled to open in 2015
 - One of the core parts of YOHO Mall, a million sq ft shopping hub along the West Rail
- North Point waterfront site
 - Around 135,000 sq ft of retail space
 - Unobstructed harbour views and located near MTR North Point station
- Nam Cheong Station project
 - Nearly 300,000 sq ft premium mall located at the interchange of West Rail and Tung Chung lines



Hong Kong Office Portfolio

- Gross rental income of around HK\$5bn for the year under review, up around 7% yoy
- About 10m sq ft of diverse office portfolio with high occupancies
 - Stabilized spot rents were recorded for IFC
 - Achieved robust rental reversions in ICC
 - Millennium City portfolio in Kowloon East, providing single-owned and diverse office layouts, continued to perform well

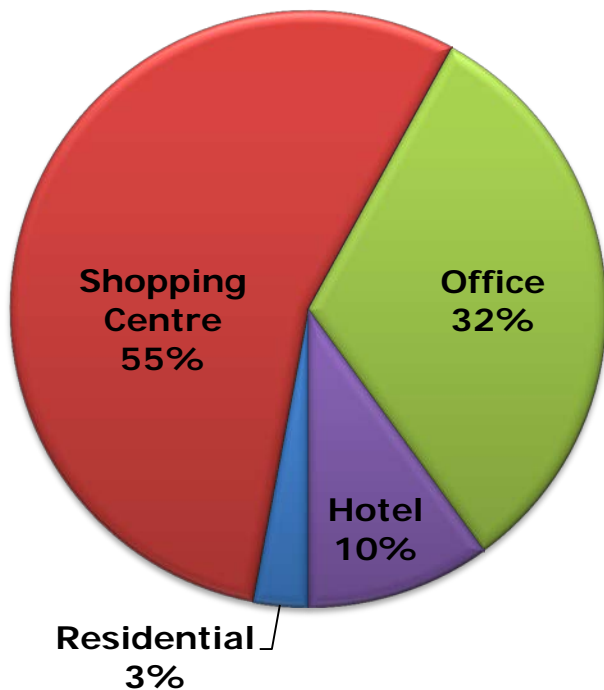
Property Business

Mainland

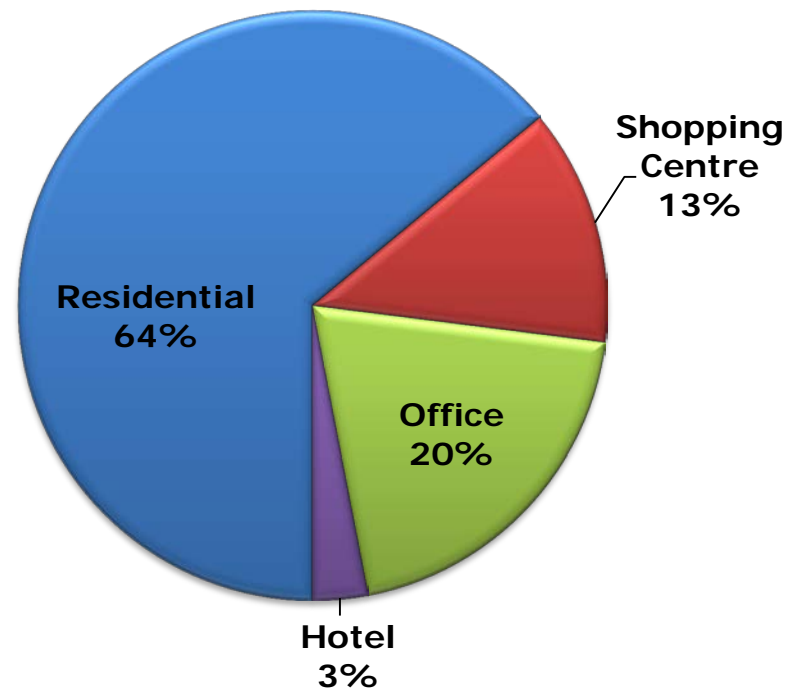


Mainland Land Bank

- Total land bank: 84.3m sq ft (as at 30 Jun 2014)



Completed investment properties
Total: 9.5m sq ft



Properties under development
Total: 74.8m sq ft



Shanghai Xujiahui Centre project

- 7.6m sq ft integrated project, comprising premium offices, high-end retail spaces and a luxury hotel
 - Direct access to Xujiahui metro station, an interchange of three major lines
 - Majority of the floor area, including the large-scale shopping mall located along Hongqiao Road, will be held for long-term investment
 - Quality offices located on Huashan Road will be the first batch available for sale
- Together with Shanghai IFC and Shanghai ICC, the Group is establishing strong presence in Shanghai



Mainland Property Development

- Completed ten projects with about 4.3m sq ft of attributable GFA
- Booked over HK\$9bn property sales*, mainly from
 - Shanghai Arch Phase 1
 - Lake Genève Phase 1 in Suzhou

Remarks:

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

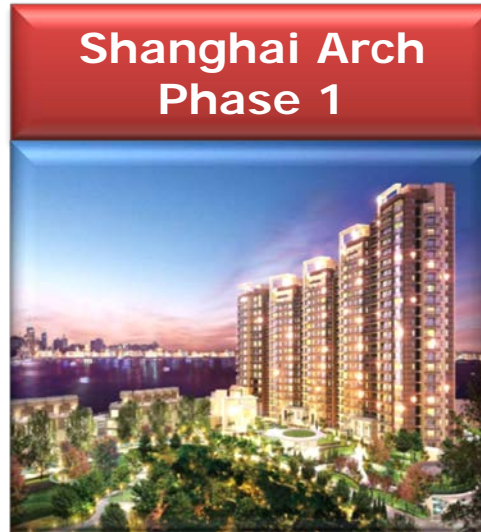


Contracted Sales on the Mainland

- Contracted sales of over HK\$7bn
- Major projects launched



- Stake: 70%
- Location: Guangzhou



- Stake: 100%
- Location: Shanghai



- Stake: 33%
- Location: Guangzhou

Upcoming Launches on the Mainland

Forest Hills
(Office)



- SHKP Stake: 70%
- Location: Guangzhou
- Attr. GFA: 254,000 sq ft

Shanghai Cullinan
(ICC Residence)



- SHKP Stake: 100%
- Location: Shanghai
- GFA: 216,000 sq ft

Shanghai Arch Ph. 1
(remaining units)



- SHKP Stake: 100%
- Location: Shanghai
- GFA: 220,000 sq ft

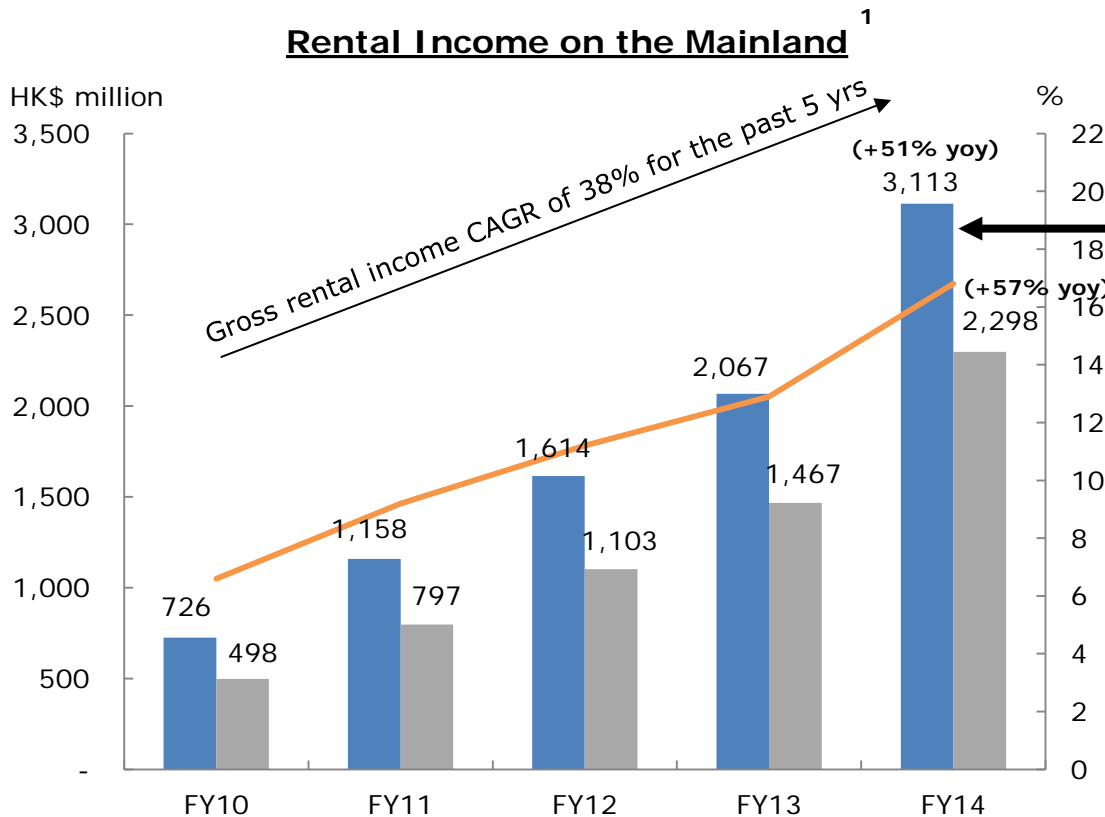
Mainland Property Investment

- Gross rental income, including shares of Associates and JCEs, up by 51% yoy to over HK\$3.1bn in FY14
 - Supported by positive reversions, higher rents for new leases, and new contribution from Shanghai IAPM mall
 - Accounted for around 17% of the Group's total gross rental income
- About 9.5m sq ft attributable GFA of investment properties mainly in prime cities
 - Strong presence in Shanghai
 - Will increase notably in the next few years

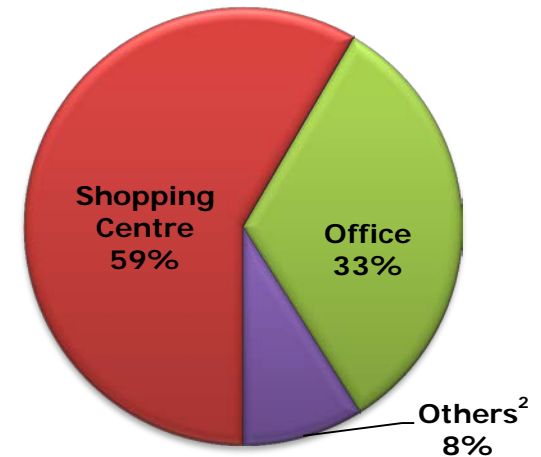


Mainland Property Investment

- Impressive gross rental income growth of 38% CAGR in the past 5 years



Gross Rental Income by Sector for FY2014



Remarks:

1. Including shares of Associates and JCEs
2. Residential and car parks

- Gross rental income
- Net rental income
- Contribution to total gross rental income (RHS)



Shanghai ICC

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Office: 1.3m sq.ft. (GFA)

- One ICC (High occupancy)
- Two ICC (Completion in 2015)
 - Pre-leasing has begun

IAPM Mall: 1.3m sq.ft. (GFA)

- Fully leased
- Better than expected traffic and retail sales



Shanghai IFC

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Office: 1.6m sq.ft. (GFA)

- One IFC (Almost fully occupied)
- Two IFC (High occupancy)

IFC Mall: 1.2m sq.ft. (GFA)

- Encouraging rental reversions
- Continuous high traffic



Mainland Retail Network Expansion

Parc Central



- SHKP Stake: 50%
- Location: Guangzhou
- Attr. GFA: 431,000 sq ft
- Expected opening: 2015

Mall at Tianhui Plaza



- SHKP Stake: 33%
- Location: Guangzhou
- Attr. GFA: 332,000 sq ft
- Expected opening: 2016

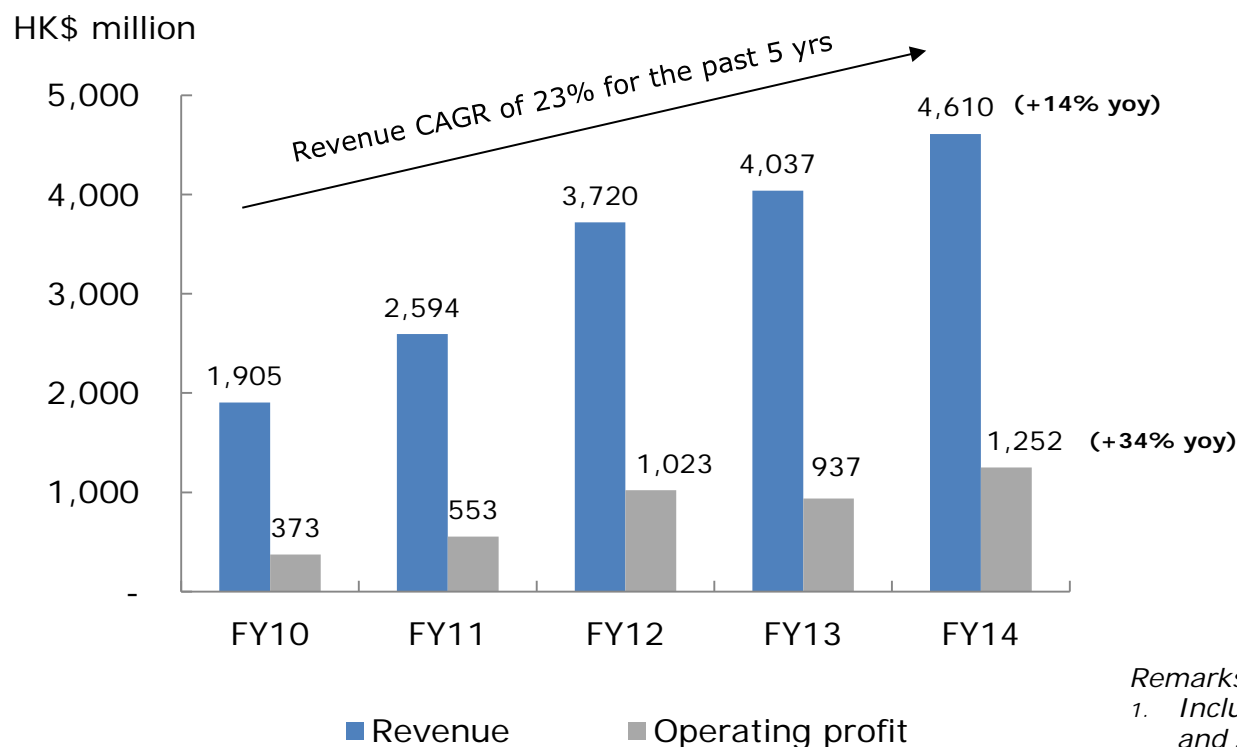
Hotel Business



Hotel Business

- Robust growth driven by full-year contributions from new hotels and renovated Royal Plaza

Revenue and Operating Profit from Hotel Portfolio¹



Remarks:

1. Including shares of Associates and JCEs



Hotel Business (Cont'd)

- Hotels in Hong Kong delivered solid results
 - High occupancy rates
- The Ritz-Carlton Shanghai, Pudong performed well
 - One of the highest RevPARs in Shanghai
- Hotel network expansion
 - North Point waterfront hotel site
 - Construction has commenced
 - Premium hotel in Sha Tin
 - Construction will begin soon

Strategy and Prospects



Market Prospects

- Primary residential sales in Hong Kong are expected to hold up well, underpinned by
 - Reasonable affordability, positive demographics, and growing income
- Leasing markets are likely to remain stable
 - Vacancies of premium shopping malls and grade-A offices in Hong Kong to stay low
 - Shopping malls and office buildings in key mainland cities with good locations and professional management to outperform

Business Strategy

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

Business Prospects

- Property Development - Promising Prospects
 - Expect higher contracted sales in FY14/15 amid more saleable resources
 - Strive for higher production volume over the medium term
 - 30% more residential project completion in Hong Kong
 - Continue to seek land acquisition opportunities
 - Particularly in Hong Kong amid rising land supply
 - Endeavor to develop premium products with cost-effective designs



Business Prospects (Cont'd)

- Property Investment – Positive Outlook
 - Expect positive rental reversion with sustained high occupancies
 - Continue to expand shopping mall network in both Hong Kong and first tier cities on the mainland
 - Investment properties on the mainland
 - Establish strong presence in Shanghai with three large-scale integrated projects
 - Notable growth engine for the Group in the future
 - Create value through on-going tenant mix refinement and property upgrades



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Q&A

