



2018 Annual Results

20 March 2019

Delivering Value with Distinctive Quality



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K. City, Hong Kong



Palace Lane, Shanghai

Results highlights

Financial Highlights

(HK\$ million)	<i>For the year ended 31 Dec</i>		Change
	2018	2017	
Profit Attributable to Equity Holders	4,046	3,906	+4%
Underlying Profit	3,005	2,517	+19%
Revenue	10,760	11,294	-5%
Attributable Revenue*	10,918	11,737	-7%
Basic EPS (HK cents)	129.51	128.18	+1%
Dividend / share (HK cents)	20	18	+11%
Final dividend / share (HK cents)	14	13	
Interim dividend / share (HK cents)	6	5	

* *Attributable Revenue comprises the revenue of the Group and contributions from jointly controlled entities as well as associated companies*

Solid Financial Position

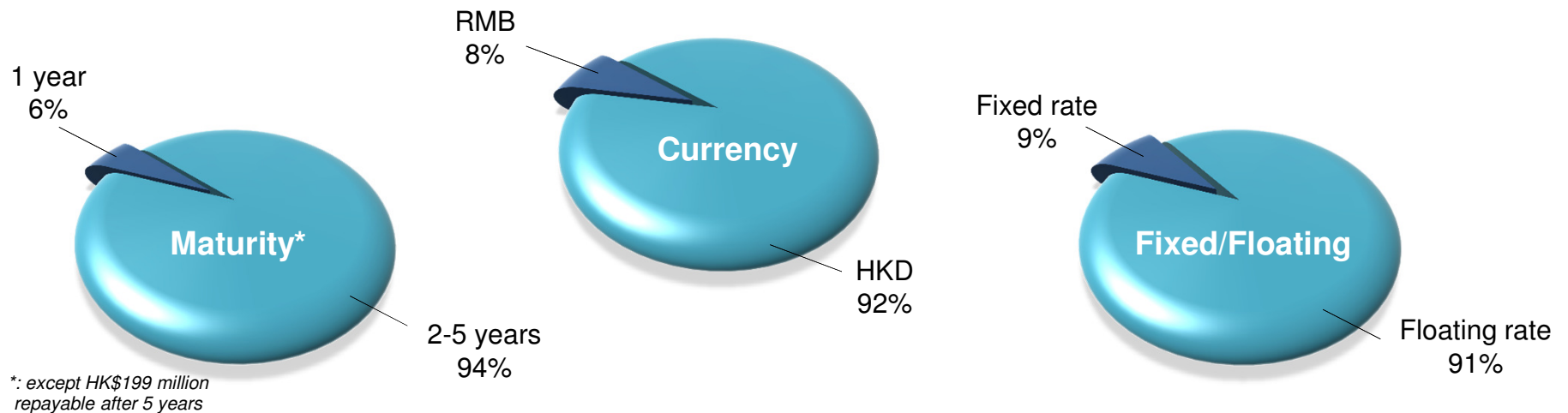
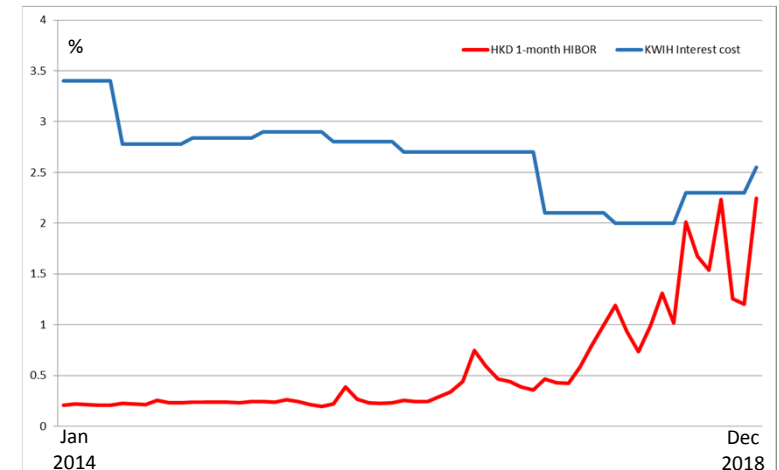
(HK\$ million)	As at 31 Dec 2018	As at 31 Dec 2017
Total Assets	69,894	72,507
Cash and Cash Equivalents⁽¹⁾	7,489	5,849
Total Debts	18,711	18,479
Shareholders' Funds	35,640	35,003
NAV per Share (HK\$)	11.4	11.5
Gearing Ratio⁽²⁾	30%	34%
EBITDA / Interest⁽³⁾	10x	12x

Remarks:

- 1) Includes bank balances as well as short-term and structured bank deposits
- 2) Gearing ratio = net debt / total equity
- 3) Interest being net interest before capitalization for the period under review

Discipline in Financial Management

- 5-year revolving credit and term loan facility of HK\$7 billion closed in Jan 2018 at lower cost, while extending the debt maturity profile, thus enhancing the financing flexibility, and funding capability
- Managed to maintain the average interest rate at 2.5% in 2018 (2.0% in 2017) amid a rising interest-rate environment
- Total debts as at 31 Dec 2018: HK\$18.7 billion (Net debts: HK\$11.2 billion)



Quality Projects Engender Strong Performance

- Attributable revenue* from sales of properties amounted to HK\$10.3 billion in 2018, mainly from the below projects:

Hong Kong



K. City
嘉匯



The Spectra
朗屏8號

Shanghai



The Palace
嘉御庭

Nanjing



The Peak
嘉譽山

Guangzhou



J Metropolis
嘉匯城

Dongguan



Silver Cove
星際灣

* Attributable revenue comprises the revenue of the Group and contributions from joint ventures as well as associated companies

Foreseeable Results Provide Sustainability

- Achieved HK\$12.1 billion attributable contracted sales*, exceeding HK\$10 billion mark for 4 consecutive years, maintaining the momentum for development



- As at 31 December 2018, attributable contracted sales* yet to be booked amounted to HK\$12.2 billion, paving the solid foundation for the future profitability

* Attributable revenue comprises the revenue of the Group and contributions from joint ventures as well as associated companies

Recurring Income from Diversified Investment Portfolio

- Rental income, including hotel receipts, up 14% to HK\$651 million in 2018
- Diversified portfolio: office, commercial, serviced apartments and hotel with total attributable GFA ~260,000 sqm

Office



Shanghai K. Wah Centre
上海嘉華中心

Stanford Residences Jing An,
Shanghai
上海尚臻靜安服務式公寓

Serviced apartment



Commercial



J SENSES, Hong Kong
香港 J SENSES

Crowne Plaza Guangzhou Huadu
廣州花都皇冠假日酒店

Hotel



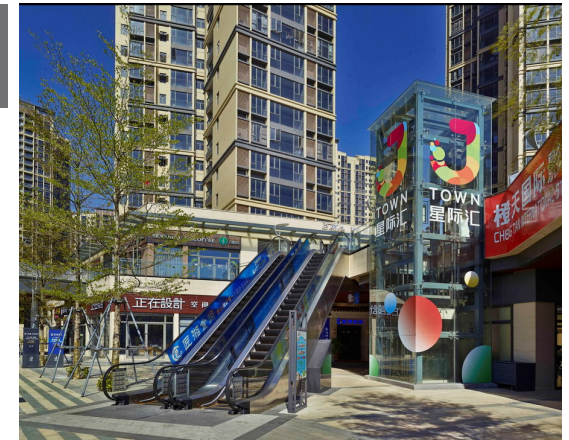
Recurring Income from Diversified Investment Portfolio

- Launched 2 new blocks of serviced apartment in Stanford Residences Xu Hui in Shanghai, 4 blocks in total in operation
- Palace Lane, in The Palace in Shanghai, and J Town, in Silver Cove in Dongguan became fully operational, with satisfactory occupancy
- K. Wah Plaza, a comprehensive development in Guangzhou, completed in November 2018, with an office tower, a hotel and the commercial portions kept for rental



Palace Lane
嘉御里

J Town
星際匯



K. Wah Plaza
嘉華廣場



The Palace, Shanghai



Solaria, Hong Kong

Strategy and Outlook

Premium Assets in Prime Cities

- Continue to focus on Hong Kong and prime cities in the Pearl River Delta and Yangtze River Delta regions while proactively exploring opportunities in the nearby cities where the Group is yet to have presence



More Diversified Land Acquisition Channels

- Formed strategic partnerships entering into new locations / for synergy consideration

Location	Project	Total GFA (sqm)	Interest
Kunshan (崑山)	Lot 12-2 in Economic & Technological Development Zone (經濟技術開發區12-2地塊)	66,000	16.66%
Suzhou (蘇州)	Lot 58 in National Hi-Tech District (高新區58地塊)	75,000	47%
Jiangmen (江門)	Site No. 03 in Xinhui District (新會區03地塊)	100,000	50%
Jiaxing (嘉興)	Site No. 44 in Xiuzhou Hi-Tech District (秀洲國家高新區44號地塊)	130,000	17%

- Acquired new project in Dongguan (東莞)
 - Site 2018WG12, Chashan (茶山鎮2018WG12地塊) with GFA ~159,000 sqm
- Looking at alternative ways for landbank replenishment for sustaining future development

Capturing opportunities in the Greater Bay Area



Source: Hong Kong SAR Government

Strengthening our presence in the Yangtze River Delta



Visible Pipeline in Hong Kong and Mainland China

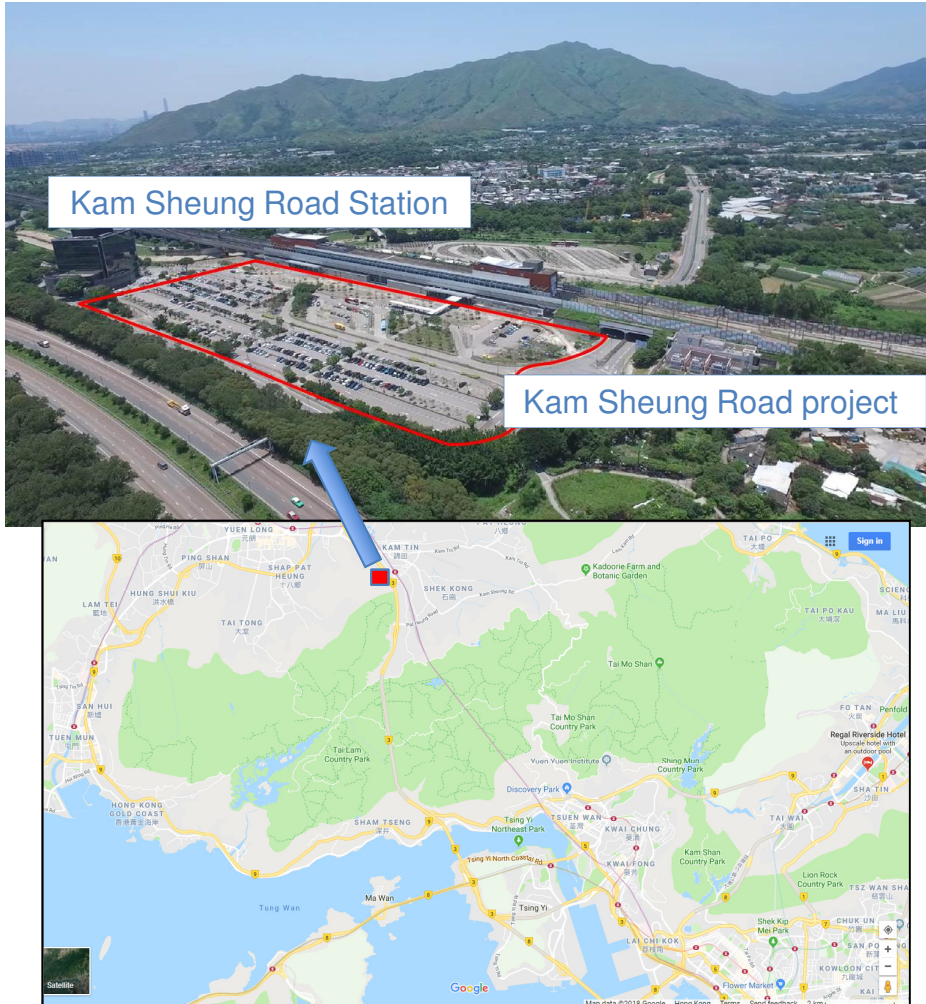
- New projects ready to be launched in 2019

Location	Project	Attri. GFA (sqm)	Units
Hong Kong	Kai Tak Area 1K Site 2	53,000	1,006
	Grampian Road	2,000	5
Shanghai	Windermere (嘉濤灣) (Launched in Dec 2018)	71,000	256
	The Palace III (嘉御庭三期) (Launch in Mar 2019)	43,000	106
	Azure (嘉瀧匯)	16,000	130

- Projects under joint ventures
 - Suzhou, Kunshan & Jiaxing **(launched in late 2018)**
- Plus continued sales momentum of the launched projects in Hong Kong and Mainland China such as
 - Hong Kong: Solaria, K. City and The Spectra
 - Nanjing: The Peak and Royal Creek
 - Guangzhou: J Metropolis (UpTown)
 - Dongguan: Silver Cove

Sustainable Pipeline in Hong Kong and Mainland China

- Projects in the pipeline



Sustainable Pipeline in Hong Kong and Mainland China

- Projects in the pipeline



Shanghai
Weifang Village Street
project, Pudong District



Nanjing
G89, Jiangning District

Suzhou
Lot 42, National Hi-Tech District



Sustainable Pipeline in Hong Kong and Mainland China

- Projects in the pipeline



Guangzhou
Xinhuazhen West Site,
Huadu District



Dongguan
Site 2018WG12,
Chashan



Sustainable Pipeline in Hong Kong and Mainland China

- Projects in the pipeline



Jiangmen
Jianghai Site No. 12,
Jianghai District

Jiangmen
Jianghai Site No. 02 ,
Jianghai District



Building up Investment Portfolio

- Expanding the portfolio with various types of property:
 - K. Wah Plaza in Guangzhou, completed in November 2018, will start contribution in 2019
 - Commercial portion of The Peak, Nanjing, with GFA 10,000 sqm, will start operation in 2019
 - Construction of an office building at Suhe Creek, Jingan District, Shanghai, with GFA 20,000 sqm, is underway and completion is expected to be in 2020
- Investment portion in various development projects to be added to our portfolio upon completion in the coming few years, well-balanced diversified portfolio to enhance the recurring income

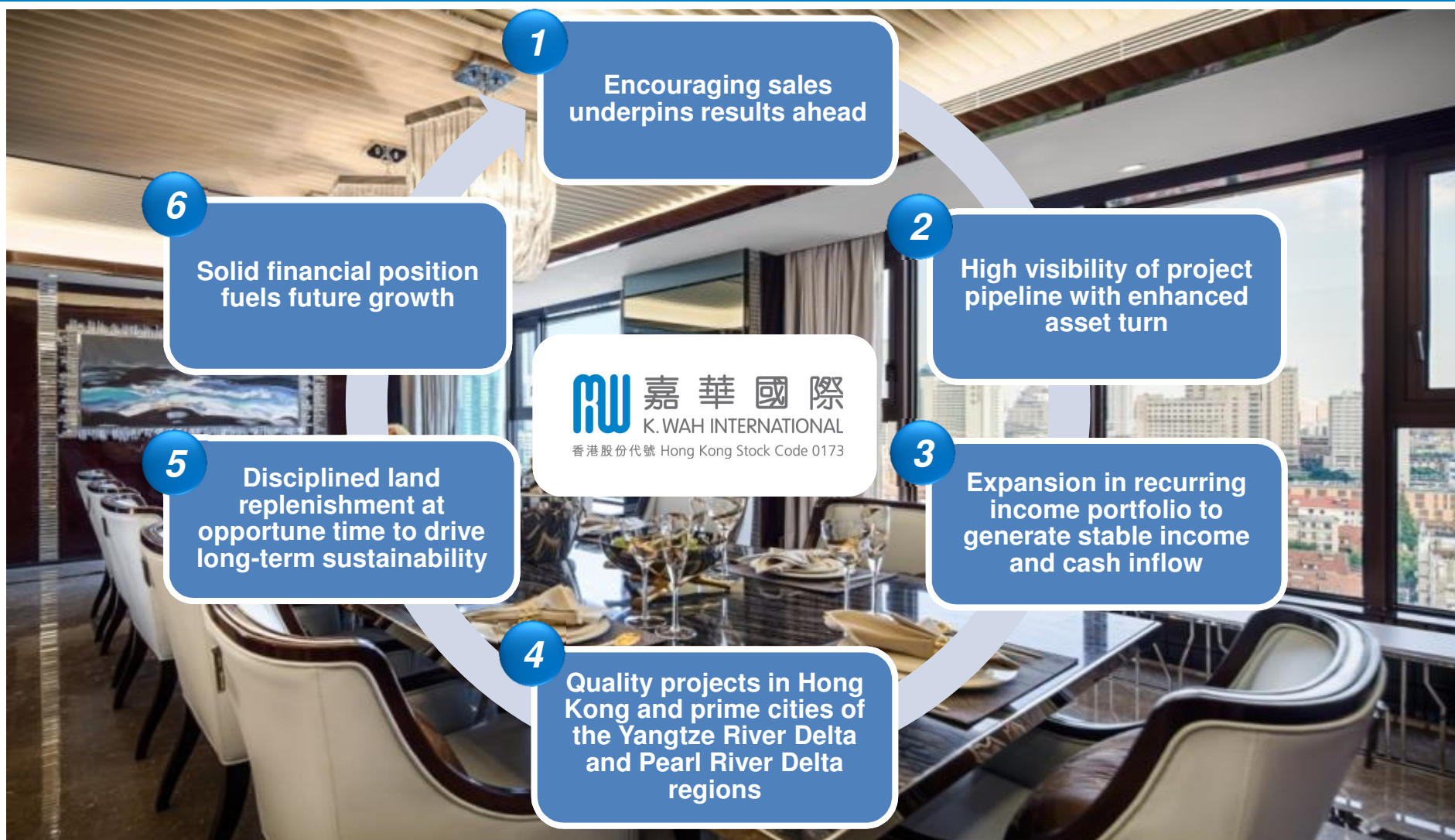


Office project,
Jingan District, Shanghai



K. Wah Plaza,
Guangzhou

Solid Foundation for Long-term Sustainability





Windermere, Shanghai

Appendix: Projects Summary

Major Projects in Hong Kong



Development projects

1	Marinella 深灣9號	7	Kai Tak Area 1K Site 2 啟德發展區第1K區2號
2	Providence Bay 天賦海灣	8	2 Grampian Road 嘉林邊道2號
3	Providence Peak 溘玥·天賦海灣	9	30 Po Shan Road 寶珊道30號
4	The Spectra 朗屏8號	10	Kam Sheung Road Station Project (ph 1) 錦上路站項目 (一期)
5	K. City 嘉匯	11	New Kowloon Inland Lot No. 6549, Cheung Sha Wan 長沙灣新九龍內地段第6549號
6	Solaria 嘉熙		

Development Projects in Hong Kong

KWIH's Property Portfolio	Year of first sales launch			GFA# (sqm) (approx.)	% Sold as of Dec 2018	Group's Interest	Target completion
	2018 or before	2019	2020 or beyond				
Marinella 深灣9號	✓			69,300	~ 99%	35%	Completed
Providence Bay 天賦海灣	✓			78,400	~ 99%	15%	Completed
Providence Peak 溢玥·天賦海灣				83,600	~ 99%	25%	Completed
The Spectra 朗屏8號	✓			49,000	~ 99%	60%	Completed
K. City 嘉匯	✓			51,000	~ 99%	100%	Completed
Solaria 嘉熙	✓			61,600	> 60%	100%	2019
Kai Tak Area 1K Site 2 啟德發展區第1K區2號	NEW	✓		53,000	-	100%	2021
2 Grampian Road 嘉林邊道2號	NEW	✓		2,000	-	100%	2019
30 Po Shan Road 寶珊道30號			✓	3,700	-	50%	TBC
Kam Sheung Road Station Project (ph 1) 錦上路站項目(一期)			✓	114,800	-	33 $\frac{1}{3}$ %	TBC
New Kowloon Inland Lot No. 6549, Cheung Sha Wan, Kowloon 九龍長沙灣新九龍內地段第6549號			✓	91,800	-	22.5%	2022

GFA includes covered area of all saleable units and their respective share of common area as referred to or to be referred to in sales brochures

Major Projects in Yangtze River Delta



Development projects

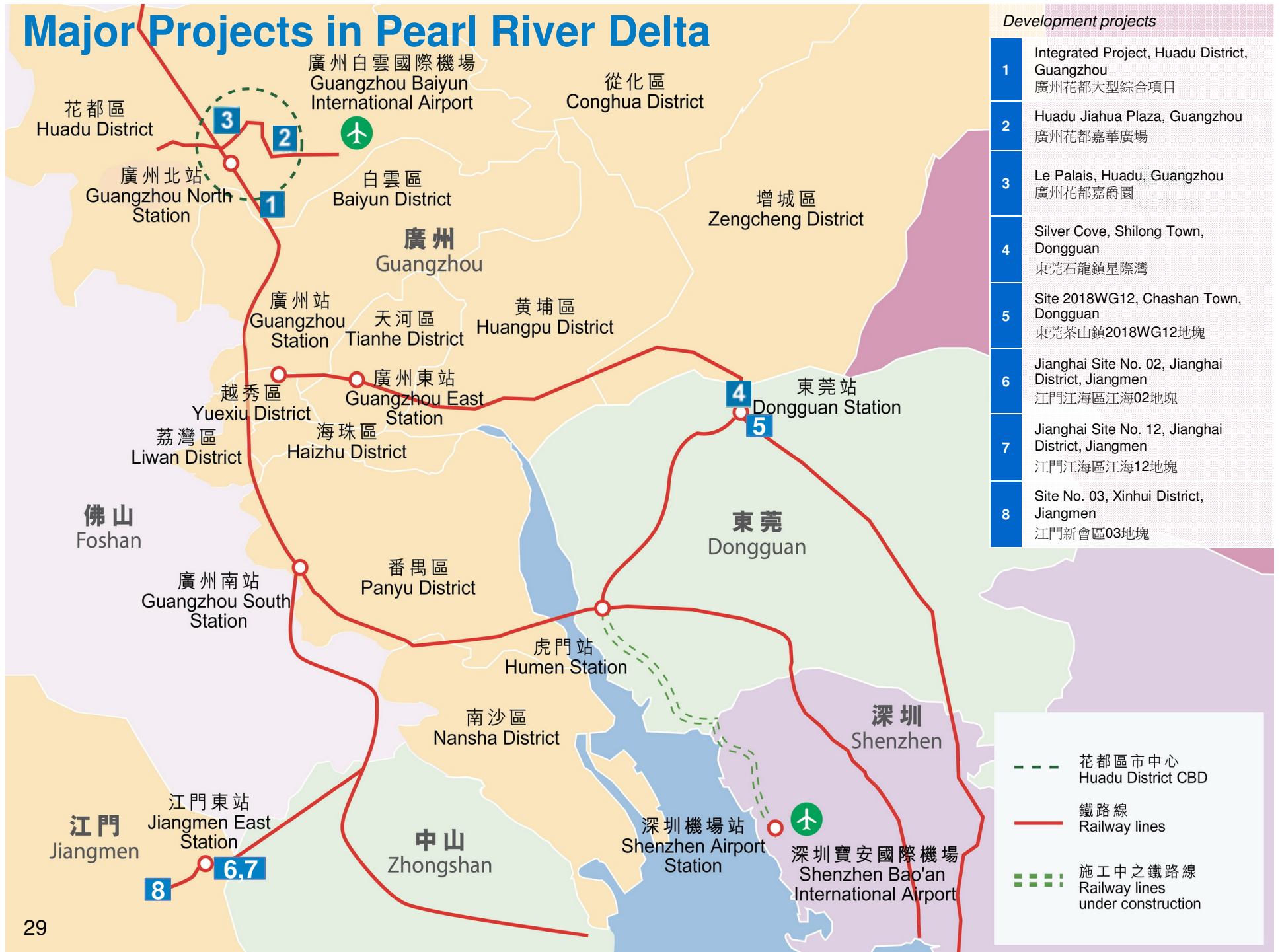
- | | | | |
|---|--|----|--|
| 1 | Grand Summit, Jingan District, Shanghai
上海靜安區嘉天匯 | 6 | The Peak, Qixia District, Nanjing
南京棲霞區嘉譽山 |
| 2 | The Palace, Xuhui District, Shanghai
上海徐匯區嘉御庭 | 7 | Royal Creek, Pukou District, Nanjing
南京浦口區御瀾府 |
| 3 | Windermere, Qingpu District, Shanghai
上海青浦區嘉濤灣 | 8 | Site G89 in Jiangning District, Nanjing
南京江寧區G89地塊 |
| 4 | Azure, Pudong District, Shanghai
上海浦東區嘉瀧匯 | 9 | Lot 42, National Hi-Tech District, Suzhou
蘇州高新區42地塊 |
| 5 | Weifang Village Street project, Pudong District, Shanghai
上海浦東區濰坊新村街道項目 | 10 | Lot 58, National Hi-Tech District, Suzhou
蘇州高新區58地塊 |
| | | 11 | Lot 12-2, Kunshan Economic & Technological Development Zone
崑山經濟技術開發區12-2地塊 |
| | | 12 | Site No. 44, Xiuzhou Hi-Tech District, Jiaxing
嘉興秀洲國家高新區44號地塊 |

- 外環線
Outer Ring Road
- 中環線
Middle Ring Road
- 市中心商業區
CBD

Development Projects in Yangtze River Delta region

KWIH's Property Portfolio		Year of first sales launch			GFA (sqm) (approx.)	% Sold as of Dec 2018	Group's Interest	Target completion
		2018 or before	2019	2020 or beyond				
Grand Summit, Jingan District, Shanghai 上海靜安區嘉天匯		✓			68,000	~ 99%	100%	Completed
The Palace, Xuhui District, Shanghai 上海徐匯區嘉御庭	Phase I	✓			Ph I: 33,000 Ph II: 30,000 Ph III: 43,000	~ 99%	100%	Completed
	Phase II	✓				> 90%		
	Phase III NEW		✓			-		
Windermere, Qingpu District, Shanghai 上海青浦區嘉濤灣		NEW ✓			71,000	-	100%	Completed
Azure, Pudong District, Shanghai 上海浦東區嘉瀧匯		NEW	✓		16,000	-	100%	Completed
Weifang Village Street project, Pudong District, Shanghai 上海浦東區維坊新村街道項目				✓	14,200	-	100%	2021
The Peak, Qixia District, Nanjing 南京棲霞區嘉譽山		✓			132,000	> 85%	100%	Completed
Royal Creek, Pukou District, Nanjing 南京浦口區御瀾府		✓			98,500	> 95%	33%	2019
Site G89, Jiangning District, Nanjing 南京江寧區G89地塊				✓	49,700	-	100%	2021
Lot 42, National Hi-Tech District, Suzhou 蘇州高新區42地塊				✓	59,000	-	100%	2021
Lot 58, National Hi-Tech District, Suzhou 蘇州高新區58地塊		NEW ✓			75,000	~ 10%	47%	2020
Lot 12-2, Kunshan Economic & Technological Development Zone 崑山經濟技術開發區12-2地塊		NEW ✓			66,000	-	16.66%	TBC
Site No. 44, Xiuzhou Hi-Tech District, Jiaying 嘉興秀洲國家高新區44號地塊		NEW ✓			130,000	> 15%	17%	TBC

Major Projects in Pearl River Delta



Development projects

- | | |
|---|--|
| 1 | Integrated Project, Huadu District, Guangzhou
廣州花都大型綜合項目 |
| 2 | Huadu Jiahua Plaza, Guangzhou
廣州花都嘉華廣場 |
| 3 | Le Palais, Huadu, Guangzhou
廣州花都嘉爵園 |
| 4 | Silver Cove, Shilong Town, Dongguan
東莞石龍鎮星際灣 |
| 5 | Site 2018WG12, Chashan Town, Dongguan
東莞茶山鎮2018WG12地塊 |
| 6 | Jianghai Site No. 02, Jianghai District, Jiangmen
江門江海區江海02地塊 |
| 7 | Jianghai Site No. 12, Jianghai District, Jiangmen
江門江海區江海12地塊 |
| 8 | Site No. 03, Xinhui District, Jiangmen
江門新會區03地塊 |

- - - 花都區市中心
Huadu District CBD
- 鐵路線
Railway lines
- - - - 施工中之鐵路線
Railway lines under construction

Development Projects in Pearl River Delta region

KWIH's Property Portfolio		Year of first sales launch			GFA (sqm) (approx.)	% Sold as of Dec 2018	Group's Interest	Target completion
		2018 or before	2019	2020 or beyond				
Integrated Project, Huadu District, Guangzhou 廣州花都大型綜合項目								
J Metropolis, Xinhuzhen East Site 嘉匯城, 新華鎮東地塊	Phase I	✓			Ph I: 77,000	~ 99%	99%	Ph I - IV: Completed
	Phase II	✓			Ph II: 75,000	~ 99%		
	Phase III	✓			Ph III: 40,000	~ 99%		
	Phase IV	✓			Ph IV: 34,000	> 90%		
Xinhuzhen West Site 新華鎮西地塊	Phase I			✓	Ph I: 187,000	-		TBC
	Others			✓	Others: 392,000	-		
J Wings, Huadu, Guangzhou 廣州花都嘉都匯		✓			100,000	~ 99%	100%	Completed
K. Wah Plaza, Huadu, Guangzhou (Apartments) 廣州花都嘉華廣場(公寓)		NEW ✓			34,000	-	100%	Completed
Le Palais, Huadu District, Guangzhou 廣州花都嘉爵園		✓			46,000	~ 99%	100%	Completed
Silver Cove, Shilong Town, Dongguan 東莞石龍鎮星際灣	Phase I & II	✓			Ph I & II: 192,400 Ph III: 32,000	~ 90%	100%	Completed
	Phase III	✓				> 60%		
Site 2018WG12, Chashan Town, Dongguan 東莞茶山鎮2018WG12地塊				✓	159,000	-	100%	TBC
Jianghai Site No. 02, Jianghai District, Jiangmen 江門江海區江海02地塊				✓	133,700	-	100%	2020
Jianghai Site No. 12, Jianghai District, Jiangmen 江門江海區江海12地塊				✓	144,900	-	100%	2020
Site No. 03, Xinhui District, Jiangmen 江門新會區03地塊				✓	100,000	-	50%	TBC

Major Investment Properties

KWIH's Investment Properties		Type	GFA (sqm) (approx.)	Group's Interest	Status / Target completion
Hong Kong	J SENSES	Commercial	3,400	100%	Completed
	Chantilly 肇輝臺6號	Residential	5,100	100%	Completed
	Commercial Complex at Twin Peaks 嘉悅商業項目	Commercial	3,500	100%	Completed
Yangtze River Delta	Shanghai K. Wah Centre 上海嘉華中心	Office	72,000	69.6%	Completed
	Stanford Residences Jing An, Shanghai 上海尚臻靜安服務式公寓	Serviced Apartment	32,000	100%	Completed
	Stanford Residences Xu Hui, Shanghai 上海尚臻徐匯服務式公寓	Serviced Apartment	26,000	100%	Completed
	Stanford Residences Jin Qiao Shanghai 上海尚臻金橋服務式公寓	Serviced Apartment	13,000	100%	Completed
	Palace Lane, Shanghai 上海嘉御里	Commercial	8,000	100%	Completed
	Office project, Suhe Creek, Jingan District, Shanghai 上海靜安區蘇河灣辦公樓項目	Office	20,000	53.61%	2020
Pearl River Delta	Crowne Plaza Guangzhou Huadu and office 廣州花都皇冠假日酒店及寫字樓	Hotel Office	32,000 13,000	100%	Completed
	K. Wah Plaza, Huadu, Guangzhou 廣州花都嘉華廣場	Hotel Office & Commercial	14,000 38,000	100%	Completed
	J Town, Dongguan 東莞星際匯	Commercial	11,600	100%	Completed

Thank You!