

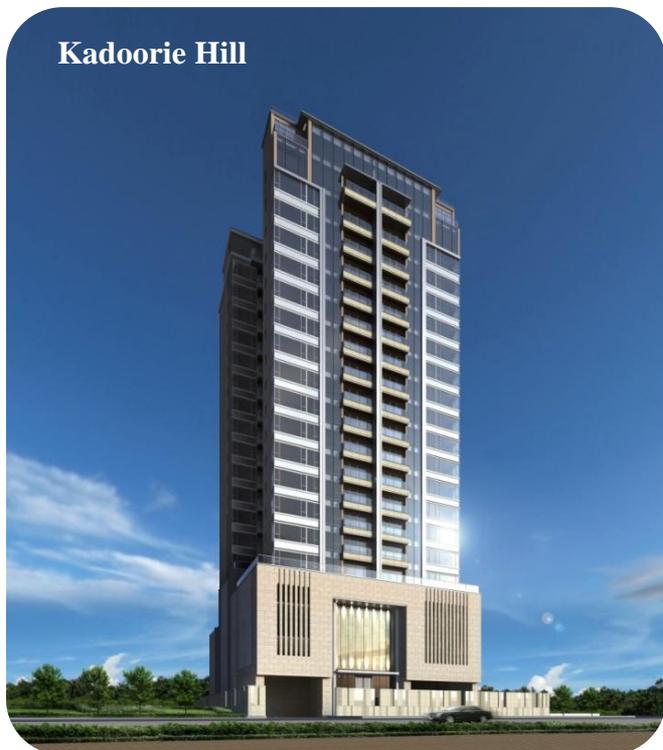
Wheelock and Company Limited

2012 Interim Results
24 August 2012



Wheelock Properties to Anchor Core Business

Kadoorie Hill



Hoi Bun Road Project



Financial Highlights of 2012 Interim Results

			
	1H2012 (HK\$M)	1H2011 (HK\$M)	% Change
Turnover	19,716	13,755	+43%
Operating Profit	9,106	7,501	+21%
Core profit **	3,391	4,002	-15%[^]
Profit before IP revaluation surplus	4,222	3,825	+10%
IP revaluation surplus (net of Tax & NCI)	9,350	6,394	+46%
Profit after IP revaluation surplus	13,572	10,219	+33%
EPS	HK\$6.68	HK\$5.03	+33%
Core EPS **	HK\$1.67	HK\$1.97	-15%
DPS	HK\$0.25	HK\$0.04	+525%

** exclude IP revaluation surplus and exceptional items

[^] due to lower attributable completion from WPL (2011: profit recognized from WPL's wholly-owned One Island South)



Wheelock – Results Highlights

Group turnover +43% to HK\$19.7B

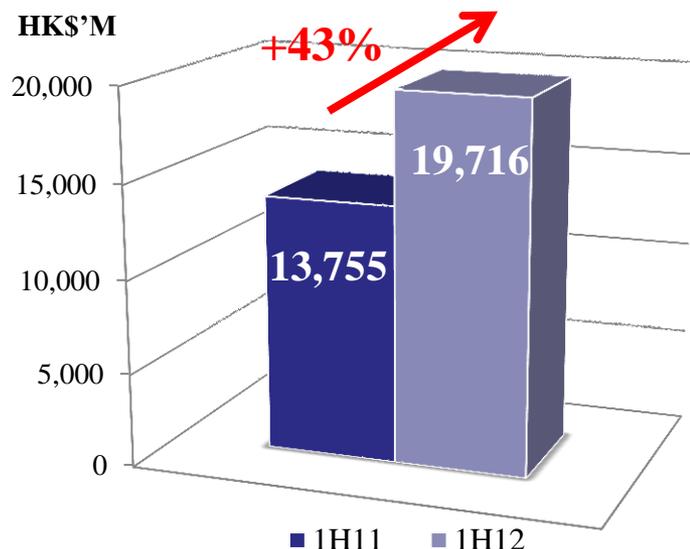
- from a doubling in property sales turnover and firm double-digit growth in property rental

Group operating profit +21% to HK\$9.1B

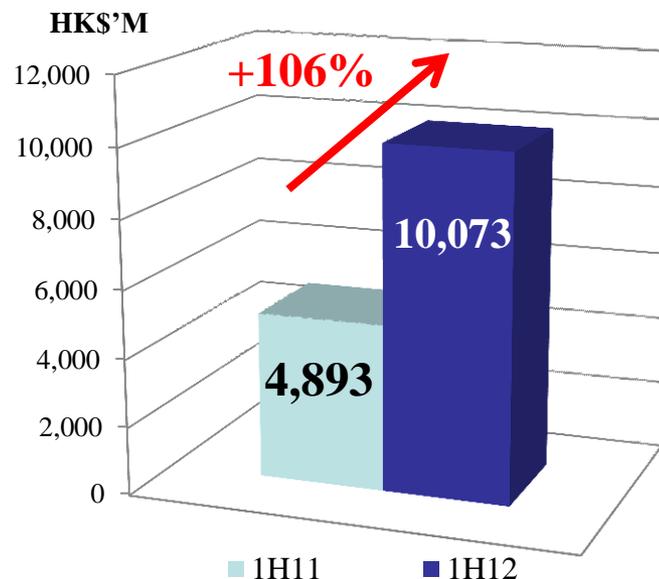
Core profit –15% to HK\$3.4B

- mainly due to lower attributable completion from WPL

Group Turnover



Property Sales



Wheelock – Results Highlights

Profit before IP revaluation surplus +10% to HK\$4.2B

Profit after IP revaluation surplus +33% to HK\$13.6B

Group net debt was HK\$67.4B (12/11: HK\$53B), with net gearing at 26% (12/11: 22.5%).

Excluding non-recourse debt of partly-owned subsidiaries,

- *Net debt was HK\$17.1B (12/11: HK\$15B)*
- *No debt remains due for repayment before the end of 2013*

Results Highlights (WPL)

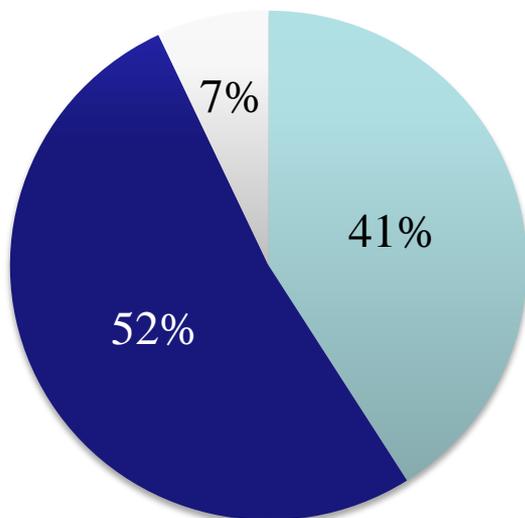
- ❖ The land bank in HK increased to 6.6M sf (4.4M sf attributable) with a total valuation of over HK\$58B
 - The Peak Portfolio comprises 560,000 sf or 9% of the total landbank, with a valuation of over HK\$22B (HK\$8B attributable) or 38% of the total valuation
- ❖ Completed One Midtown to recognize HK\$2.2B (turnover) and HK\$1.0B (operating profit) for Wharf (51% interest) (*2011: HK\$3.3B (turnover) & HK\$2.1B (OP) (100% interest) from One Island South*)
- ❖ Sales of HK\$4.4B (for 940,000 sf GFA, mainly non-residential properties) were contracted in 1H2012

Wheelock – Profit Split

WPL will anchor property development in Hong Kong

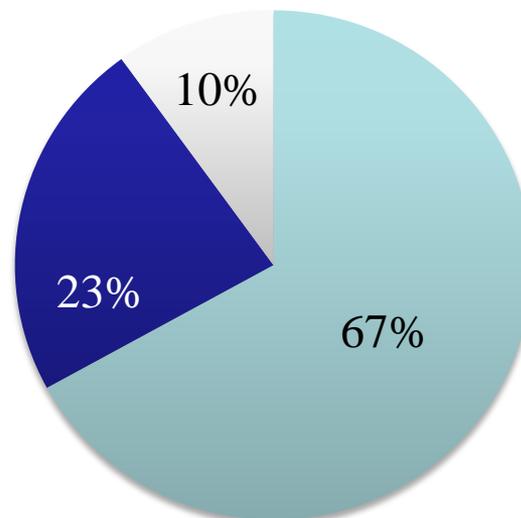
Core Profit of HK\$3.4B*

By Segment



- Property Development
- Property Investment
- Logistics / Others

By Geographical Distribution



- Hong Kong
- China
- Singapore

* Before IP revaluation surplus and exceptional items



Wheelock Properties (Singapore) Limited

WHEELOCK
PROPERTIES

Premier Developer of Luxury Homes



Wheelock Properties (Singapore) Limited

Financial Summary (Restated based on HK Accounting Standard)

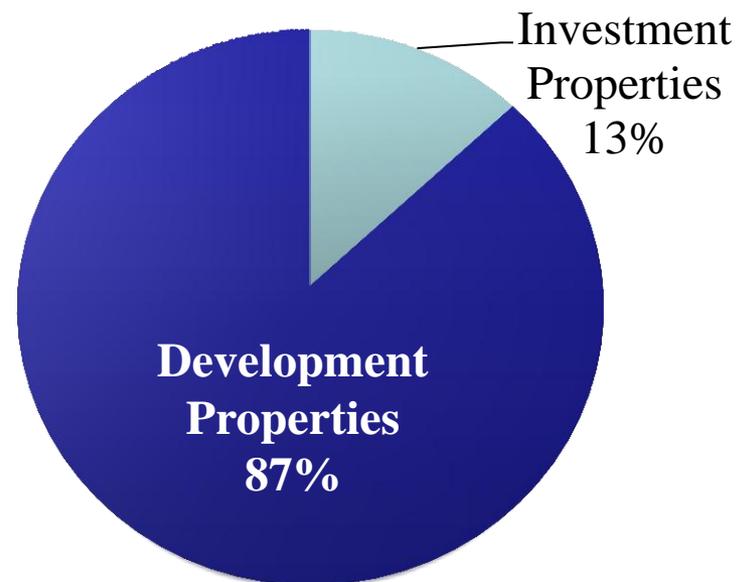
	1H2012 (HK\$'M)	1H2011 (HK\$'M)	% Change
Turnover	891	349	+155%
Operating Profit	461	216	+113%
Profit for the period	380	181	+110%

- ❖ Turnover + 155% to HK\$891 million; profit after tax +110% to HK\$380 million for 1H12, mainly due to:
 - Scotts retail podium opened in Q4 2011 and generated income in 1H 2012.
 - 14 units (35,400 s.f.) of Orchard View and 4 units (2,500 s.f.) of Scotts Square recognised in 1H 2012 compared to 3 units of Orchard View in 1H 2011.

Wheelock Properties (Singapore) Limited

Land bank

	Project	GFA ('000sf)
Investment Properties	Wheelock Place	465
	Scotts Square (retail)	131
	Total IP	596
Development Properties	Ardmore Three	149
	Hangzhou Fuyang Shijiayuan	3,853
	Total DP	4,002
	Total Land bank	4,598



WPSL – Singapore Development

Property sales on track.....

Orchard View

- ❖ A luxury residential development, comprising 30 four-bedroom apartments with private lift lobbies, completed in 5/2010
- ❖ 90% sold (end-Jun), ASP ~ S\$2,900 psf; 100% sold (end-Jul)

Scotts Square

- ❖ A mixed development atop a retail complex located in the heart of the Orchard Road shopping belt, completed in 8/2011
- ❖ Residential: 85% sold, ASP: over S\$4,000 psf;
- ❖ Retail podium (130,900 sf): 93% leased at end-Jun with internationally renowned brands



WPSL – Singapore / China Developments

Developments progressing as planned.....

Ardmore Three

- ❖ A 36-storey luxury development along Ardmore Park comprising 84 units
- ❖ Construction work underway, full completion in 2014
- ❖ A show-flat readily available for a sales launch in 2012

雍景山

- ❖ High-end residential development in Fuyang District, 22km from the city centre of Hangzhou with a nice mountain view, GFA: 358,000 sm
- ❖ Full completion: 2018

WPSL – Investment Properties

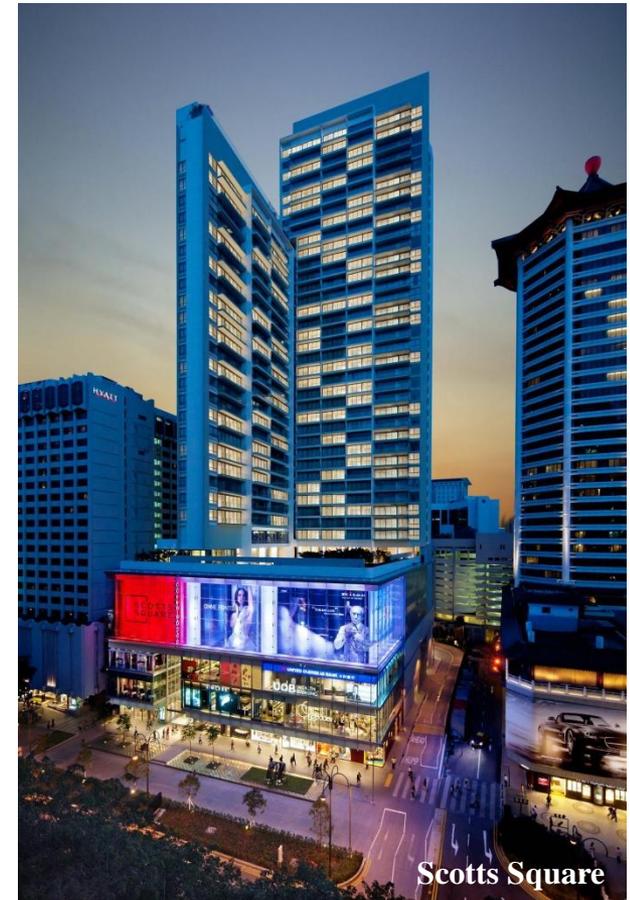
Scotts Square retail podium expands recurrent income base.....

Wheelock Place

- ❖ An office and retail development at Orchard Road, GFA: 465,400 sf
- ❖ Occupancy: 93% (at end-Jun); Marks & Spencer opened its flagship store in 2Q2012.
- ❖ Average monthly rental: S\$12 psf

Scotts Square (Retail Podium)

- ❖ GFA: 130,900 sf
- ❖ 93% leased (at end-Jun); Average monthly rental: S\$22 psf
- ❖ Committed tenants include Anne Fontaine, Hermes, Michael Kors, On Pedder, etc.



Wheelock Properties Limited

WHEELOCK
PROPERTIES

Wheelock Properties to Anchor Core Business

Chairman

Mr. Stewart Leung

Managing Director

Mr. Douglas Woo

Managing Director

Mr. Ricky Wong



WPL – Wheelock Properties to Anchor Core Business

Proactive in HK property development.....

- ❖ Developable land bank increased to 6.6M sf (4.4M sf attributable) with a total valuation of over HK\$58B, upon acquisition of a prime residential site in Tseung Kwan O in early 2012.
- ❖ This includes Peak portfolio comprising 560,000 sf or 9% of the total land bank, with a valuation of over HK\$22B (HK\$8B attributable) or 38% of the total valuation. Mount Nicholson is expected to commence pre-sale in 2013/2014.
- ❖ Leveraging on the “Energizing Kowloon East” initiative, WPL has built a cluster of projects of 3.7M sf (56% of total landbank) within the region and is poised to benefit from the long term growth potential of the region.
- ❖ WPL has demonstrated its strong sales execution capability through its successful property launches in recent years (*Lexington Hill, One Midtown, One Island South*). *Kadoorie Hill* and *MTR Austin Station* are scheduled to commence pre-sale in Q32012 and 2013 respectively.
- ❖ WPL’s 1H12 contracted sales were HK\$4.4B (Mainly *Lexington Hill, One Midtown & Delta House*)

WPL – HK Developable Land bank (Valuation: HK\$58B)

Developable land bank 6.6M sf.....

Direct

Properties	Attri Area (000'sf)	Gross Area (000'sf)
MTR Austin Station	641	1,282
Tseung Kwan O	488	488
Lexington Hill	103	103
Kadoorie Hill	92	92
Hoi Bun Road	915	915
Hung Luen Road	590	590
Others	158	158
Total:	2,987	3,628

Through Wharf*

Properties	Wharf's Attri Area (000'sf)	Gross Area (000'sf)
One Midtown (unsold)	56	56
Mount Nicholson Road	162	325
Peak Portfolio	235	235
Kowloon Godown	829	829
Yau Tong Godown	256	256
Wharf T&T Square	581	581
Yau Tong Bay JV Project (15% interest)	651	651 [^]
Total:	2,770	2,933
<i>Wheelock's attributable (51%)</i>	1,413	

Attributable land bank: 4.4M sf

* include investment properties with redevelopment potential

[^] attributable



WPL – HK Developable Landbank

Kowloon East contributes to 56% of total landbank

- ❖ Under the 2011-12 Policy Address, a new initiative called “Energizing Kowloon East” was put forward to transform Kowloon East into an alternate CBD as CBD2
- ❖ With a cluster of projects of 3.7M sf within Kowloon East, Wheelock will benefit from the long term growth potential of this area

Properties	Ownership	Type	GFA (000'sf)
Kowloon Godown	Wharf	Residential	829
Yau Tong Godown	Wharf	Residential	256
Yau Tong Bay JV Project [^]	Wharf	Residential	651
Wharf T&T Square	Wharf	Commercial	581
Hoi Bun Road	Wheelock	Commercial	915
Tseung Kwan O	Wheelock	Residential	488
		Total:	3,720

[^] attributable



WPL – HK Developable Landbank

Peak Portfolio (HK\$22B, 38% of total valuation).....

Properties	Ownership	Type	GFA (attri.) (000'sf)	GFA (gross) (000'sf)	Valuation (HK'B)
Mount Nicholson Road	Wharf	Residential	162	325	13
Peak Portfolio	Wharf	Residential	235	235	9
		Total:	397	560 <i>(9% of total)</i>	22
		Wheelock's Attributable Total:			8

- ❖ The most prestigious address in HK
- ❖ Mount Nicholson's development is progressing well. Expected to commence pre-sale in 2013/2014
- ❖ 77 Peak Road, 1 Plantation Road & Mountain Court – demolition in progress

WPL – Property Development

Demonstrated strong sales execution capability.....

1H12 Contracted Sales

Project	Type of usage	GFA sold in 1H12 (sf)	Proceeds in 1H12 (HK'B)
Lexington Hill	Residential	95,000	1.1
One Midtown	Industrial	451,000	1.7
Delta House	Commercial	349,000	1.3
Bellagio Mall & others	Commercial	42,000	0.3
	Total:	~940,000	4.4B



WPL – Property Development

Demonstrated strong sales execution capability.....

Lexington Hill (GFA: 102,900 sf)

- ❖ Residential development located opposite the MTR Kennedy Town station, target to commence service in 2014
- ❖ GFA: 102,900 sf; AV: HK\$3,300 psf
- ❖ Pre-sales launched in 2/2012 capturing a window of market revival
- ❖ 102 units (of 104) sold at ASP HK\$12,000psf for HK\$1.13B proceeds
- ❖ Construction work underway; completion in 2014



WPL – Property Development

Demonstrated strong sales execution capability.....

One Midtown (GFA: 644,000 sf)

- ❖ High rise industrial / loft building in proximity to Tsuen Wan and Tsuen Wan West MTR Stations, completed in 6/2012
- ❖ 92% GFA has been sold at ASP HK\$3,700 psf for HK\$2.2B proceeds
- ❖ Fitting-out work underway



WPL – Property Development

Demonstrated strong sales execution capability.....

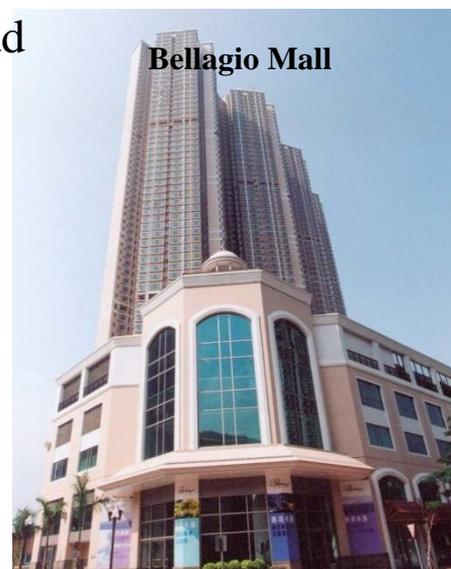
Delta House (GFA: 349,000 sf)

- ❖ An office building located at On Yiu Street, Shatin
- ❖ En bloc sold at HK\$1.3B. Transaction completed in 5/2012



Bellagio Mall (GFA: 37,011 sf)

- ❖ A 2-storey mall located at Castle Peak Road (Sham Tseng), Sham Tseng
- ❖ Sold at HK\$280M in early 6/2012



No. 432 Castle Peak Road (GFA: 4,869 sf)

- ❖ A piece of residential site located at Castle Peak Road (Castle Peak Bay), Tuen Mun

WPL – Property Development

Non core asset disposal executed in the past 5 years.....

Fitfort

- ❖ A 2-storey retail mall located in North Point
- ❖ Sold at HK\$949M in 12/2009

Great Western Plaza

- ❖ A 2-storey shopping arcade located in Sai Wan
- ❖ Sold at HK\$338M between 2005 and 2006

Grandtech Centre

- ❖ Remaining portion of a godown located on On Ping Street, Shek Mun
- ❖ Sold at HK\$584M in 5/2007



WPL – Upcoming Key Projects

Developments progressing as planned...

Kadoorie Hill* (GFA: 91,700 sf)

- ❖ Residential development in an established vicinity in Homantin with limited new supply
- ❖ GFA: 91,700 sf; AV: HK\$9,000 psf
- ❖ 66 number of units in total, providing
 - 4 duplex at 2,750-3,000 sf
 - 20 4-bedroom units at 1,900-2,000 sf
 - 38 3-bedroom units at 1,350-1,460 sf
 - 4 2-bedroom units at 770-800 sf
- ❖ Target to launch for pre-sales in Q3 2012 subject to pre-sale consent approval
- ❖ Superstructure work underway; completion in Q42012



** formerly identified as 211-215C, Prince Edward Road West*

WPL – Upcoming Key Projects

Developments progressing as planned...

MTR Austin Station (GFA: 641,000 sf)

- ❖ Prime residential development atop MTR Austin Station, next to the future Guangzhou - Shenzhen - Hong Kong Express Rail Link terminus & the West Kowloon Cultural District
- ❖ 50:50 joint venture with New World Development, attributable GFA: 641,000 sf, AV: HK\$9,130 psf
- ❖ Master layout plan and general building plan approved, foundation work underway
- ❖ Target to launch for pre-sale in 2013 subject to market conditions and pre-sale consent approvals; completion in 2014-2015



WPL – Upcoming Key Projects

Property development pipeline.....

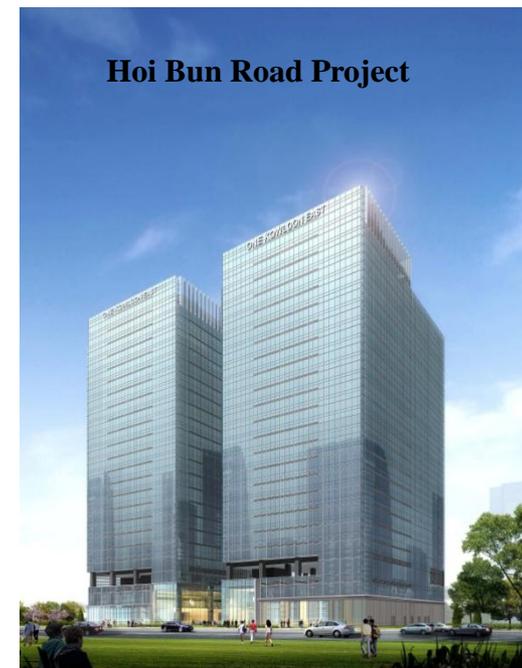
Hoi Bun Road commercial project* (GFA: 914,900 sf)

- ❖ Two Grade A office buildings overlooking Victoria Harbour and future Kai Tak Cruise Terminal, with easy access to MTR
- ❖ General building plan approved, foundation works underway

Hung Luen Road commercial project* (GFA: 590,000 sf)

- ❖ Two high-rise Grade A office buildings & two low-rise retail buildings overlooking Victoria Harbour, with easy access to future Whampoa MTR Station (to complete in 2015)
- ❖ Section 16 application approved, preparation for foundation works underway

** Hoi Bun Road commercial project is formerly identified as Kwun Tong commercial project and Hung Luen Road commercial project is formerly identified as Hung Hom commercial project*



WPL – Upcoming Key Projects

Property development pipeline.....

- ❖ **Mount Nicholson** – 50:50 JV with Nan Fung for exclusive luxurious residences with GFA of 325,000 sf (attributable: 162,400 sf); foundation work underway; completion in 2014/2015
- ❖ **Kowloon Godown** – redevelopment into a residential and commercial development of 829,000 sf approved; lease modification underway
- ❖ **Wharf T&T Square** – redevelopment into a high-rise Grade A commercial building of 581,000 sf approved; lease modification premium paid
- ❖ **Yau Tong Godown** – development into a residential and commercial development of 256,000 sf; lease modification premium paid in 7/2012; foundation works underway
- ❖ **Yau Tong Bay JV Project (15% owned by Wharf)** – master layout plan submitted to Town Planning Board for consideration

WPL – Acquisition

Continue to expand/ enhance landbank.....

Tseung Kwan O project (GFA: 488,200 sf)

- ❖ Acquired in 1/2012 for HK\$1.9B or AV: HK\$3,810 psf
- ❖ A residential development with connectivity to an MTR station
- ❖ Foundation tendering in progress

Other land bank expansion by means of Land Exchange / Lease Modification

Project	Land Exchange / Lease Modification	Type of usage	GFA (sf)	Increase in GFA (sf)	Premium paid (HK\$'M)
77 Peak Road	Removal of “garden area” clause to allow design flexibility	Residential	42,000	N/A	283 (AV \$6,700 psf GFA)
Kadoorie Hill	Increase in residential GFA	Residential	92,000	31,000	458 (AV \$14,700 psf additional GFA)
Wharf T&T Square	Increase in commercial GFA	Commercial	581,000	103,000 [^]	503 (AV \$870 psf GFA)
Yau Tong Project	Change of usage: industrial → residential	Residential	256,000	N/A	564 (AV \$2,200 psf GFA)

[^] includes reduction of public carpark to commercial GFA of 55K sf



WPL – Property Investment

Assets with strong rental growth prospects.....

Wheelock House (GFA: 199,300 sf)

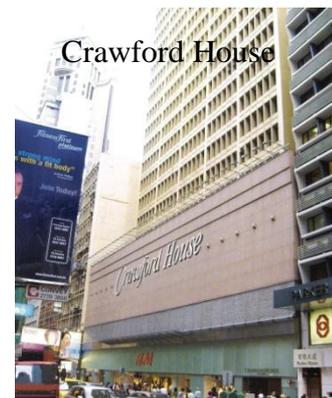
- ❖ Occupancy: 95% with Citibank and Group Companies as major tenants. Unit rent increased by 11% from \$54.3psf (FY11) to \$60.3psf (1H12)
- ❖ Asset Value: \$4.08B

Crawford House (GFA: 191,400 sf)

- ❖ Office (GFA: 105,700 sf) – occupancy: 97.6% with Quality Healthcare Medical etc. as major tenant. Unit rent increased by 12.3% from \$40.5psf (FY11) to \$45.5psf (1H12)
- ❖ Retail (GFA: 85,700 sf) – occupancy: 100% with H&M as major tenant
- ❖ Asset Value: \$5.24B

One Island South (retail portion) (GFA: 90,500 sf)

- ❖ Retail occupancy: 100% with Lane Crawford as major tenant
- ❖ Asset Value: \$634M (retail)
- ❖ Located opposite a future MTR South Island Line Station to be opened in 2015



Financial Highlights

Prudent debt and cash flow management.....

Net debt / (cash)	30.06.2012 (HK\$'B)	31.12.2011 (HK\$'B)
Wheelock (excluding below subsidiaries)	17.1	15.0
Wharf	53.2	43.5
WPSL	(2.9)	(5.5)
Group Total	67.4	53.0
Gearing (net debt to total equity)	26.0%	22.5%

❖ *Excluding non-recourse debt of partly-owned subsidiaries*

- Net debt was HK\$17.1B,
- No debt remains due for repayment before the end of 2013



Financial Highlights – Wheelock Own

Diversified sources of income and funding.....

- ❖ Steady dividend income stream from Wharf and WPSL totaled HK\$2.0B
- ❖ Recurring rental income from Wheelock House, Crawford House and One Island South (retail portion) in HK
- ❖ WPL contracted sales in 1H2012 totaled HK\$4.4B
- ❖ Diversified sources of funding
 - ✧ raised S\$85M (HK\$0.5B) bonds in early 2012
 - ✧ raised US\$535M (HK\$4.2B) bonds in early 2012
 - ✧ raised HK\$1.2B bonds in 1H12
- ❖ Own cash balance and undrawn bank facilities totaled HK\$6.5B at 30.06.12

Financial Highlights of 2012 Interim Results

			
	1H2012 (HK\$M)	1H2011 (HK\$M)	% Change
Turnover	18,250	9,745	+87%
Operating Profit	8,241	4,980	+65%
Core profit **	5,425	3,638	+49%
Profit before IP revaluation surplus	7,072	3,283	+115%
IP revaluation surplus (net of Tax & NCI)	16,574	11,019	+50%
Profit after IP revaluation surplus	23,646	14,302	+65%
EPS	HK\$7.81	HK\$4.84	+61%
EPS – Core profit**	HK\$1.79	HK\$1.23	+46%
DPS	HK\$0.45	HK\$0.36	+25%

** exclude IP revaluation surplus and exceptional items

Wharf – Results Highlights

- ❖ **Turnover +87% to HK\$18.3B**
 - Properties +154% to account for 77% of Group total, China properties surpassed HK properties
- ❖ **Operating profit +65% to HK\$8.2B**
 - Properties +83% to account for 91% of Group total, China properties +2.5-fold to 33% of Group total (vs. 58% for HK properties)
- ❖ **Core profit +49% to a record of HK\$5.4B**
- ❖ **Profit before IP revaluation surplus +115% to HK\$7.1B, including**
 - Book accounting gain on acquisition of 18.4% equity interest in Greentown: HK\$1.5B
- ❖ **Profit after IP revaluation surplus +65% to HK\$23.6B**
- ❖ **IPs: HK remain firm; China provides the new impetus; DP bear fruit in HK & China**
- ❖ **Prudent debt and cash flow management**
 - Group net debt stabilized at HK\$53.2B, with net gearing at 22.9%, own net debt: HK\$45.3B
 - HK\$3B of gross debt (out of total HK\$57B) mature before end-2013

Wheelock – Recap

Wheelock Properties to Anchor Core Business.....

❖ **Positioning**

HK land bank valued at HK\$58B (for 6.6M sf); Peak portfolio's valuation: HK\$22B, 38% of total valuation

❖ **Hong Kong Property Business**

WPL contracted sales: HK\$4.4B; recognized turnover: HK\$3.8B

❖ **Hong Kong Property Outlook**

Limited supply, low interest rate environment → support property demand

❖ **Singapore Property business**

DP: sales on track; IP: Scotts Square expands recurrent income base

❖ **Financial Management**

Net gearing: 26%; *if excluding non-recourse debt of partly-owned subsidiaries*, (a) net debt was HK\$17.1B, (b) no debt remains due for repayment before the end of 2013

End of Presentation

Wheelock and Company Limited [HKEx Stock Code: 0020.HK]



Disclaimer

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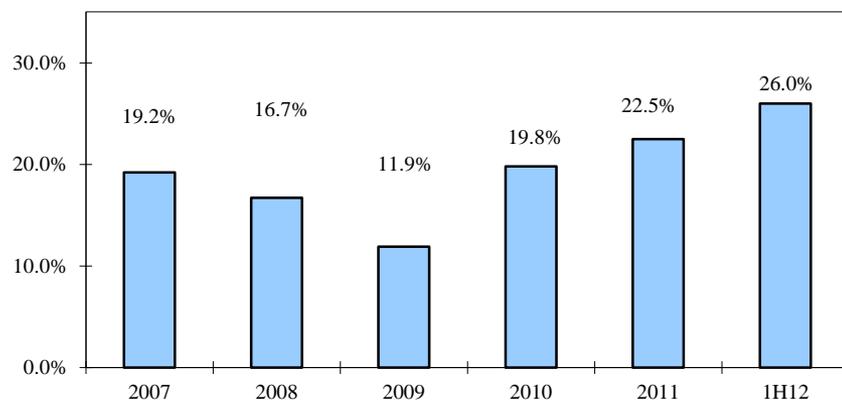
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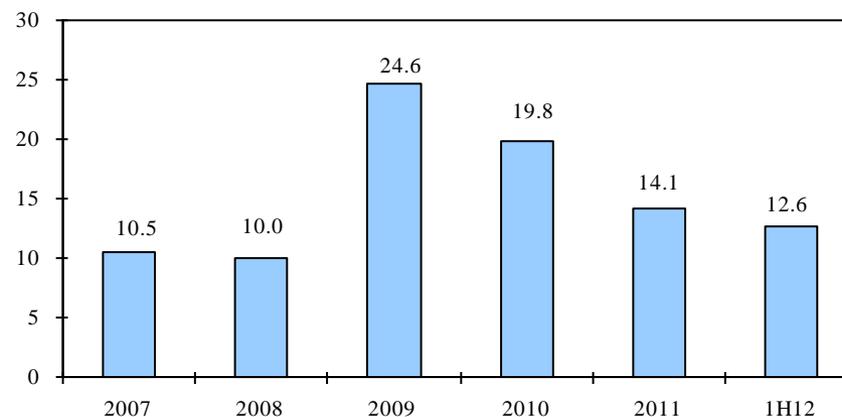
Wheelock Financial Highlights

Solid credit metrics.....

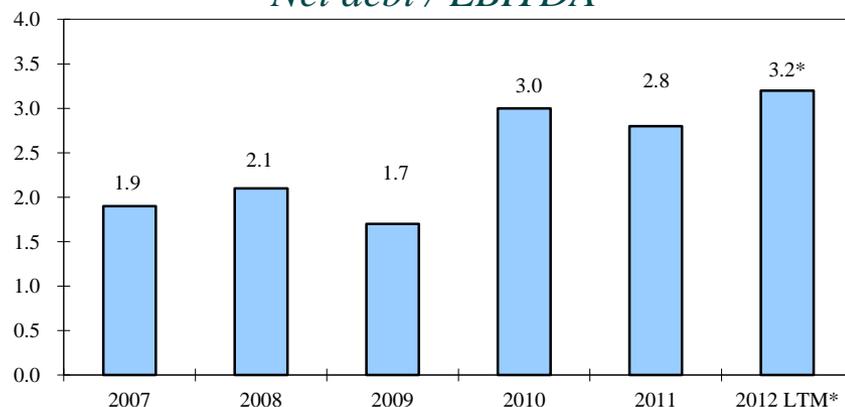
Net Debt / Total Equity



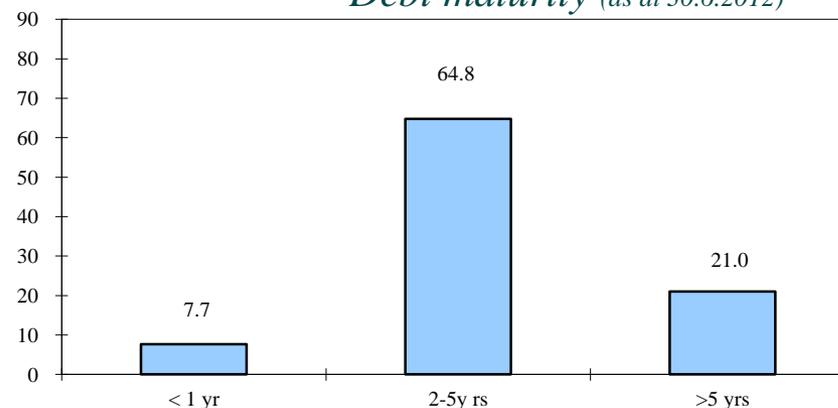
Interest cover



Net debt / EBITDA



Debt maturity (as at 30.6.2012)



* June 2012 LTM denotes the last twelve months to June 2012

