

# Group Profit Increased by 30% to HK\$22 billion

## Wheelock and Company Limited 2014 Final Results Presentation

17 March 2015



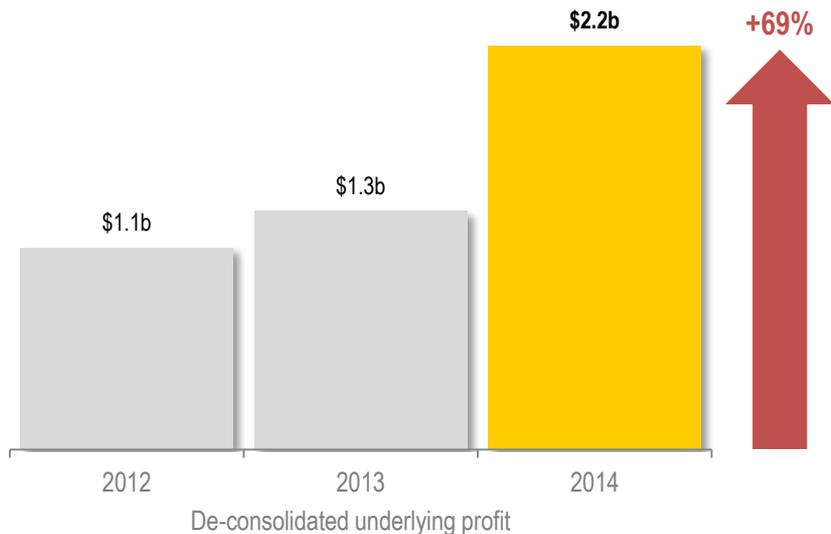
# Highlights

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- Group profit increased by 30% to \$22b
- \$18.8b record property contracted sales in HK
- One Bay East set a \$10b single office transaction record
- 5 projects planned for presale in 2015
- A diversified and competitive 7.8m sq. ft. development land bank in HK
- Solid financial position: 18.8% net gearing and no debt mature in 2015\*

# De-consolidated underlying profit increased by 69%

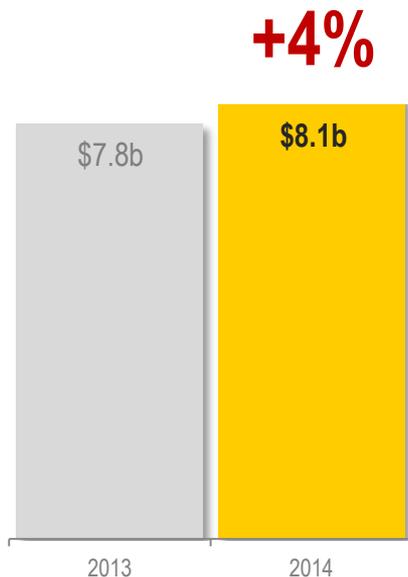
- Profit growth driven by HKDP booking
- \$1.4b HKDP profit from Lexington Hill and Austin booked
- \$15.0b net order book - 90% to be booked in 18 months



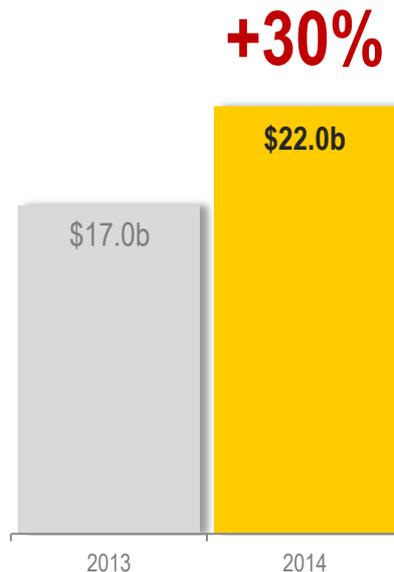
	<u>Net Order Book</u> (as at Dec 2014)	<u>Planned Completion</u>
OBE	\$9.9b	2015
The Parkside	\$4.1b	2016
Kensington Hill	\$0.7b	2016
Others	<u>\$0.3b</u>	-
<b>Total:</b>	<b>\$15.0b</b>	

# Group profit increased by 30% to \$22b

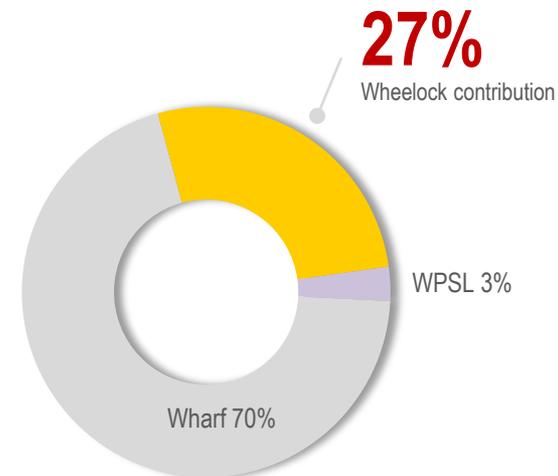
- Consolidated underlying profit



- Consolidated profit attributable to shareholders



- Wheelock's underlying profit contribution increased to 27%



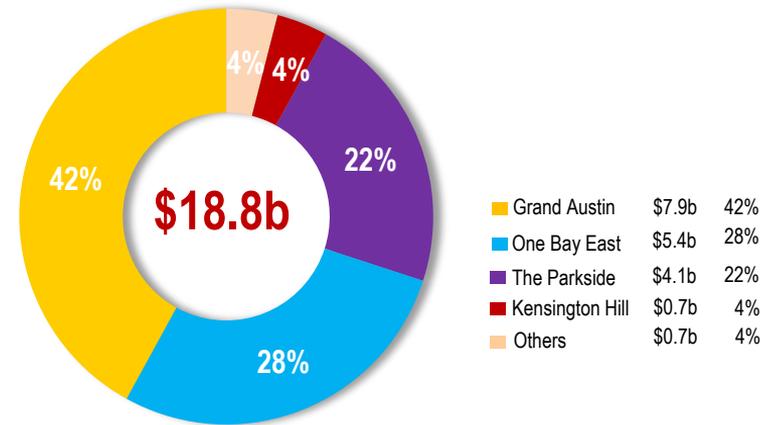
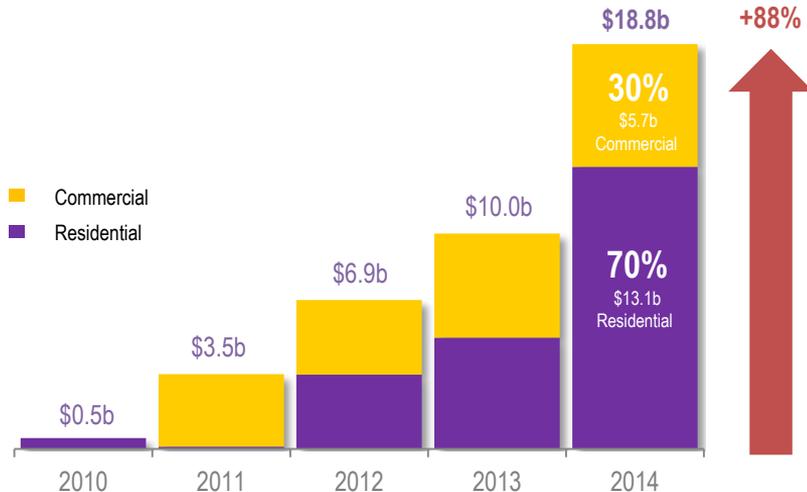
Consolidated underlying profit breakdown

# Wheelock consolidated – financial highlights

	FY2013 (HK\$m)	FY2014 (HK\$m)	% Change
Revenue	35,071	<b>40,953</b>	+17%
Operating Profit	14,938	<b>15,729</b>	+5%
<b>Underlying Profit*</b>	7,822	<b>8,103</b>	<b>+4%</b>
Profit Before IP Revaluation Gain	7,724	<b>7,035</b>	-9%
IP Revaluation Gain (net of Tax & NCI)	9,230	<b>14,974</b>	+62%
<b>Profit Attributable to Shareholders</b>	16,954	<b>22,009</b>	<b>+30%</b>
Earning Per Share			
- Underlying*	HK\$3.85	<b>HK\$3.99</b>	+4%
- Attributable to Shareholders	HK\$8.34	<b>HK\$10.83</b>	+30%
Dividend Per Share			
- First & Second Interim	HK\$1.00	<b>HK\$1.0675</b>	+6.75%

# \$18.8b record property contracted sales in HK

- Fast asset turnover strategy as the appropriate approach
- One of the Top 5 HK developers in residential sales \*
- Sales diversification steadily maintained (Residential 70%; Commercial 30%)



# Grand Austin Art, Culture, Lifestyle and City

GRAND  
**AUSTIN**  
ART · CULTURE · LIFESTYLE · CITY



**\$15.2b**

Residential sales  
proceeds generated

**100%**

All 691 units were  
presold in 2014



# Kensington Hill Timeless Elegance



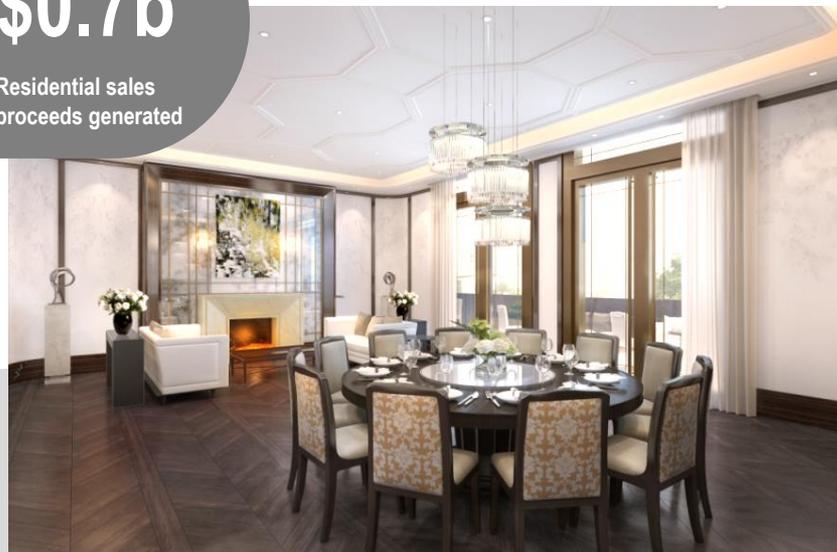
KENSINGTON  
HILL

\$0.7b

Residential sales  
proceeds generated

78%

Sell-through rate



# The Parkside A Brighter Living

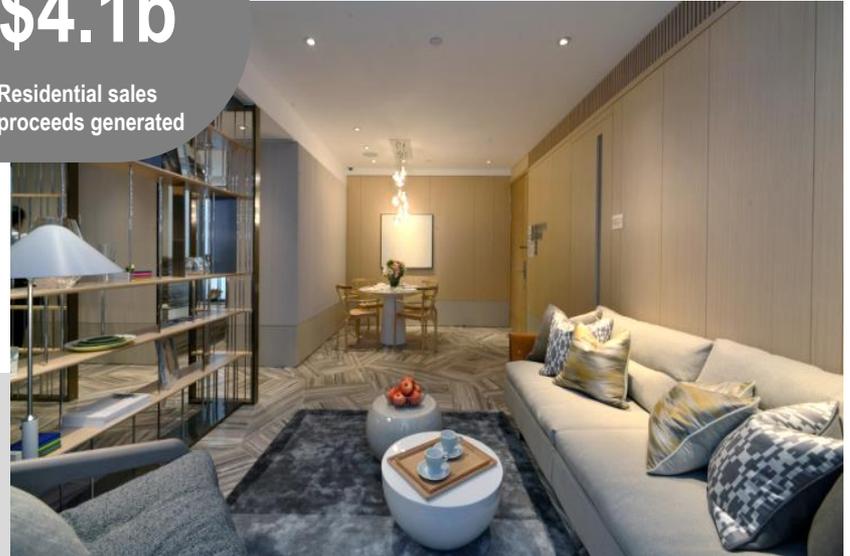


**\$4.1b**

Residential sales  
proceeds generated

**94%**

of 591 units were  
presold within 6  
weeks



# OBE set a \$10b single office transaction record

- East Tower presold to Citigroup in 2014, West Tower presold to Manulife in 2013
- \$10b new record for Hong Kong's office project transaction
- Future regional operational bases for world renowned financial institutions

*"Wheelock is an established real estate developer with a long history of building quality properties..."*



Mr. Donald A. Guloién, President & CEO of Manulife, topped out the West Tower



*"Topping out ceremony of the East Tower brings us a step closer towards achieving our vision of creating a world class integrated office complex..."*



Mr. Michael Corbat, CEO of Citigroup, topped out the East Tower

# 5 projects planned for presale in 2015

- 2015 property contracted sales not less than \$10b
- Diverse products, harbour views and MTR connectivity
- Presales timeline subject to presale consent, project phasing and market condition

## Mount Nicholson

- Luxury residential
- 50/50 JV with Nan Fung
- The Peak
- 325,000 s.f. GFA
- 19 villas & 48 apartments
- Prestigious location
- Victoria Harbour view



## Peninsula East

- Residential
- Urban redevelopment
- Kowloon East
- 260,000 s.f. GFA
- 256 residential units
- 1 MTR to Quarry Bay
- Victoria Harbour view



## Shau Kei Wan

- Residential
- Urban redevelopment
- Island East
- 94,000 s.f. GFA
- 140 residential units
- Nearby Shau Kei Wan & Sai Wan Ho MTRs



## O'South Lot 125

- Residential
- Low-rise development
- O'South
- 430,000 s.f. GFA
- 400 units & 13 villas
- 3 MTRs to Quarry Bay
- Victoria Harbour view



## One HarbourGate

- Commercial
- Kowloon South
- 590,000 s.f. GFA
- Grade A twin office towers
- MTR: East & West Rails, Shatin-to-Central Line & Whampoa station
- Victoria Harbour view



# Diversified and competitive 7.8M sq. ft. land bank

Our land bank -

**95%**  
in urban area

**75%**  
Victoria Harbour  
Fronts location

**80:20**  
Residential to  
Commercial mix

## Kowloon South (2)

- Total 1M sq. ft. GFA
- Heart of Kowloon center
- Future MTR lines
- Victoria Harbour view

- (1) One HarbourGate
- (2) Ho Man Tin

## Peak Portfolio (4)

- Total 0.5M sq. ft. GFA
- Prestige locations
- Panoramic Harbour view

- (1) Mount Nicholson
- (2) 1 Plantation Road
- (3) 11 Plantation Road
- (4) 77 Peak Road

## Others

- (1) Lohas Park Phase 5
- (2) Shau Kei Wan
- (3) Kensington Hill
- (4) So Kwun Wat

## Kowloon East (5)

- Total 2.7M sq. ft. GFA
- Clusters in CBD2 & Yau Tong
- MTR connectivity
- Victoria Harbour view

- (1) Kai Tak
- (2) Kowloon Godown
- (3) Wharf T&T Square
- (4) Yau Tong Bay
- (5) Peninsula East

## O'South (3)

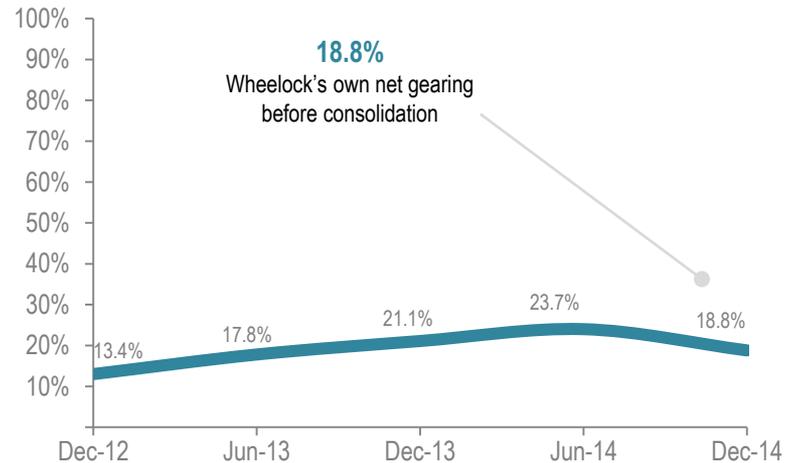
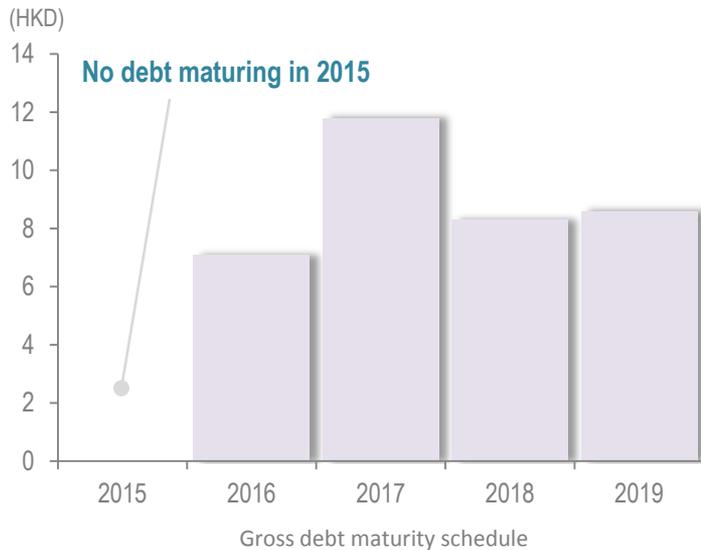
- Total 1.9M sq. ft. GFA
- Tseung Kwan O & Tiu Keng Leng MTR stations
- Victoria Harbour view
- 2.2M sq. ft. green area

- (1) O'South Lot 125
- (2) O'South Lot 126
- (3) O'South Lot 112



# Solid financial position maintained

- Wheelock-own net gearing reduced to 18.8%
- No debt mature in 2015
- Steady cash inflow: \$13.2b sales receivable + \$3.2b recurrent dividends (Wharf & WPSL)



# Endeavor to quality and services excellence

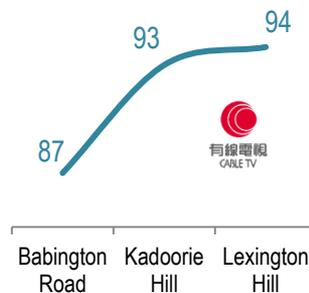
## Sales excellence

- **Deal of the Year, Asia 2014** – One Bay East (By World Finance)
- **The Outstanding Developer 2014** – Commercial Landmark Architecture (One Bay East) (By Capital and Capital Weekly)
- **The Outstanding Developer 2014** – Outstanding Sales Performance (Grand Austin) (By Capital and Capital Weekly)



## Quality product and services

- **BCI Asia's Top 10 Developers Award** (By BCI Asia)
- **Asia Pacific Property Award 2015-16** - Residential Development for HK (Lexington Hill) (By International Property Award)
- **Lexington Hill** scored 94 points by Cable TV programme
- **Best Property Management** (By Squarefoot)



# CSR accumulating social impact in 2014

## Project WeCan Entering the 2<sup>nd</sup> stage

44

participating schools  
vs 14 in 2011



40,000

benefitting students  
vs 12,000 in 2011



## Sustainability Building for Tomorrow

22.8% ↓

Carbon emissions per employee

15% reduction target  
**3 YEARS**  
ahead schedule

GRI G4

Sustainability Report published  
by WPL in Aug 2014  
based on G4 standard



Global  
Reporting  
Initiative™



# CSR accumulating social impact in 2014

## Community Services Proactive Participation

**900**  
volunteer hours



**55**  
CSR events



**\$4.2M**  
fund raised



**3,400**  
beneficiaries



## Recognitions of Our Commitment

**1**

Social Responsibility  
Award of the Year  
(By RICS)



**2**

consecutive years for  
Caring Company



商界展關懷  
caringcompany 2013/14

# Wharf

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- Profit attributable to shareholders up 22% to \$35.9b
- HK IP operating profit up 16% to \$9.9b
  - **Times Square** retail sales up 11% after completion of renovation in 2013
  - Three Hong Kong retail malls recorded 5% sales growth in 2014, while Hong Kong retail market was 0.2% decline
- China IP operating profit up 30% to \$991m
  - **Chengdu IFS** became the largest China IP revenue contributor in its first year of operation
- China DP achieved 94% of full year sales target at RMB21.5b
- \$3b cash dividend paid to WAC in 2014

# Wheelock Properties Singapore

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- Contributed \$250m in underlying profit to WAC
- **Hotel Properties Limited** became an associated company from pure financial investment with potential partnership in future
- **The Panorama** presold 317 units or 91% of 350 units launched
- Investment properties provided stable and recurring rental income
  - **Wheelock Place** maintained above 99% occupancy for retail and office
  - **Scotts Square Retail** re-tenanting exercise will continue with new concepts

# End of Presentation

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

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