



2019 Half-Year Results

Presentation

Agenda

Speakers: Robert Wong, Chief Executive & Simon Dixon, Chief Financial Officer

1. 2019 Half-Year Highlights
2. Investment Properties
3. Development Properties
4. Financial Highlights
5. Outlook
6. Q&A

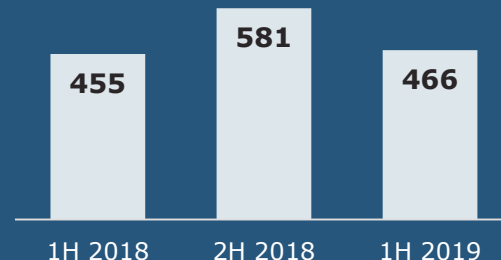


2019 Half-Year Highlights

US\$466m

Underlying profit

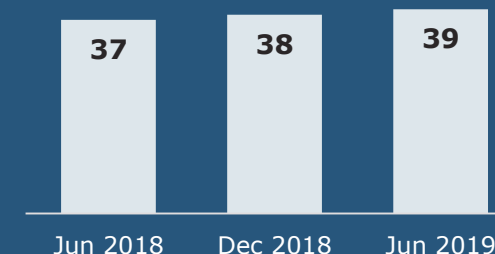
+2% YoY



US\$38.5bn

Shareholders' funds

+0.4% HoH



Key figures

- Profit¹: US\$411m (1H 2018: US\$1,124m)
- Net debt: US\$3.9bn (Dec 2018: US\$3.6bn)
- NAV per share: US\$16.50 (Dec 2018: US\$16.43)
- Interim dividend per share: US¢6 (1H 2018: US¢6)

Highlights

- Underlying profit up 2% to US\$466m
- Increased operating profits offset by higher financing charges
- One new project acquired in Wuhan

¹ Attributable to Shareholders of the Company





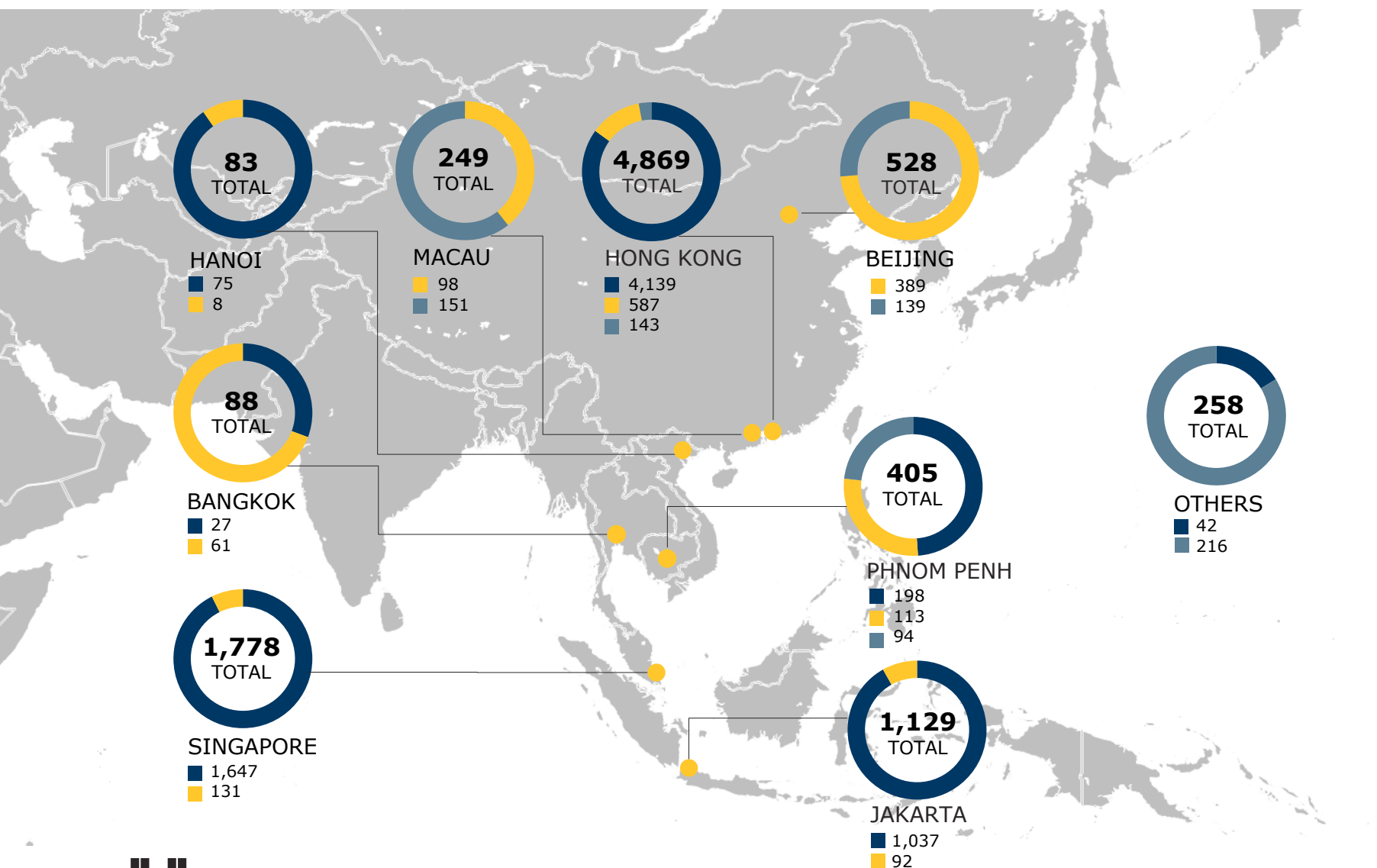
Investment Properties



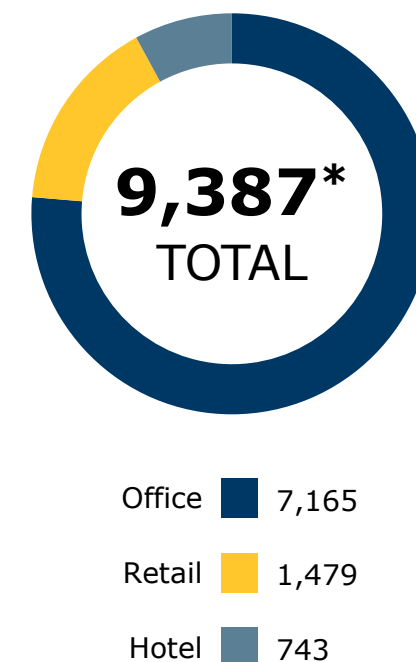
2019 Half-Year Results

Investment Properties Overview

Investment Properties are primarily located in Hong Kong and Singapore



TOTAL COMPLETED AREA (HKL's share) (000's sq. ft NFA)



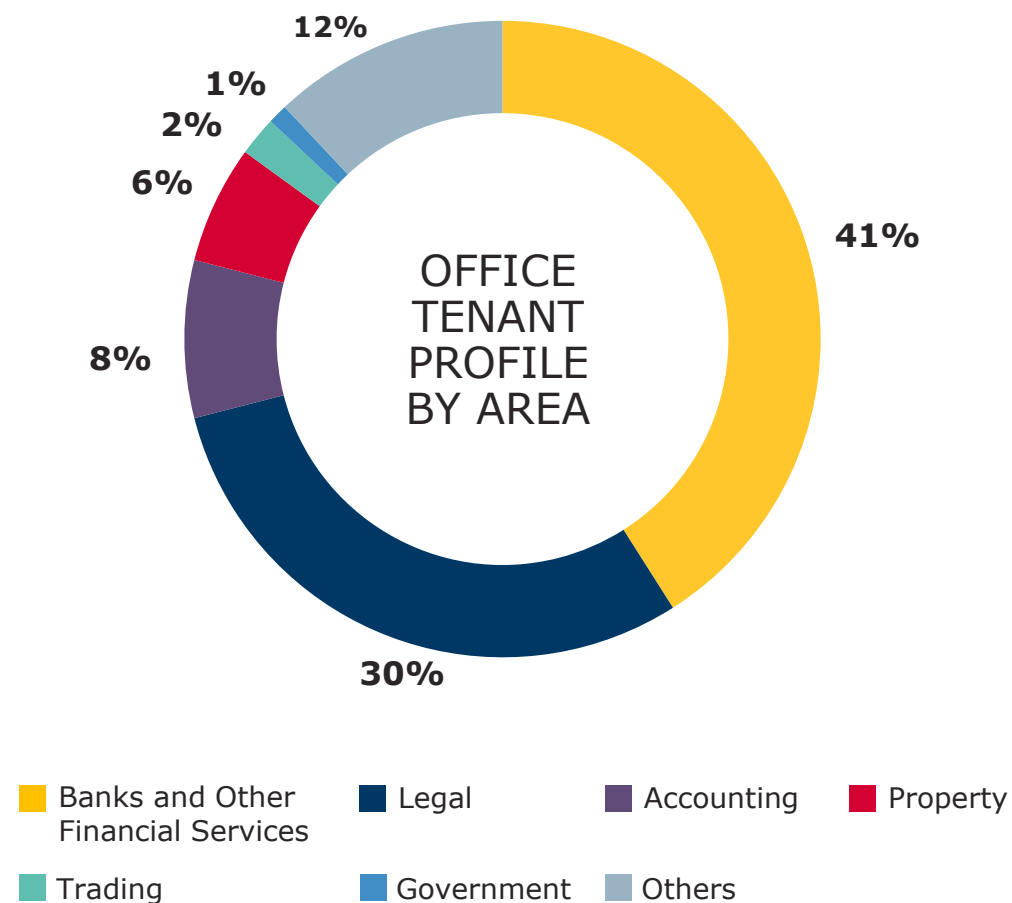
*Equivalent to 872,000 sq. m.

*As at 30 Jun 2019



Hong Kong Portfolio – Office

Positive rental reversions and low vacancy as market supply remained tight



AVERAGE RENTS & VACANCY

	1H 2018	2H 2018	1H 2019
Average net rent (HK\$ psf/month)	111	114	116
Period-end vacancy	1.9%	1.4%	2.8%
Weighted average lease expiry (years)	3.9	4.0	4.6

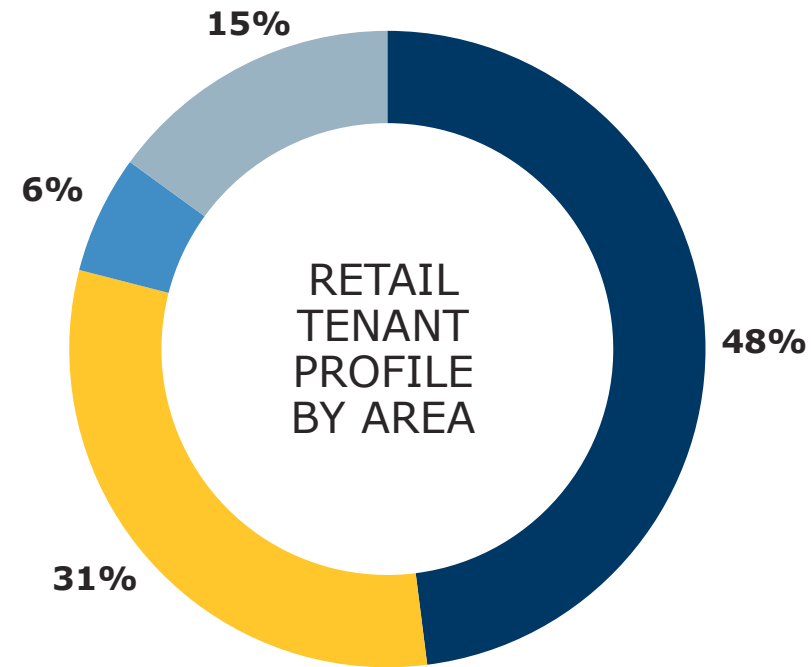
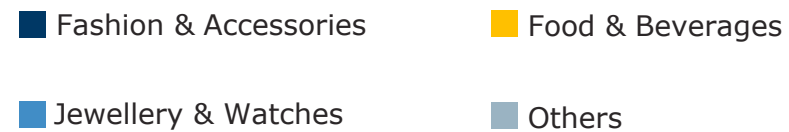
EXPIRATION & INTERIM RENT REVISIONS

	2H 2019	2020	2021
Total lettable office area subject to expiration/rent revisions ('000 sq. ft)	415	842	1,234
% of area subject to expiration/rent revisions	10%	20%	30%
- Expiration	6%	15%	14%
- Rent revisions	4%	5%	16%
Average expiring net rent (HK\$ psf/month)	115	122	120



Hong Kong Portfolio – Retail

Higher rents due to positive reversions

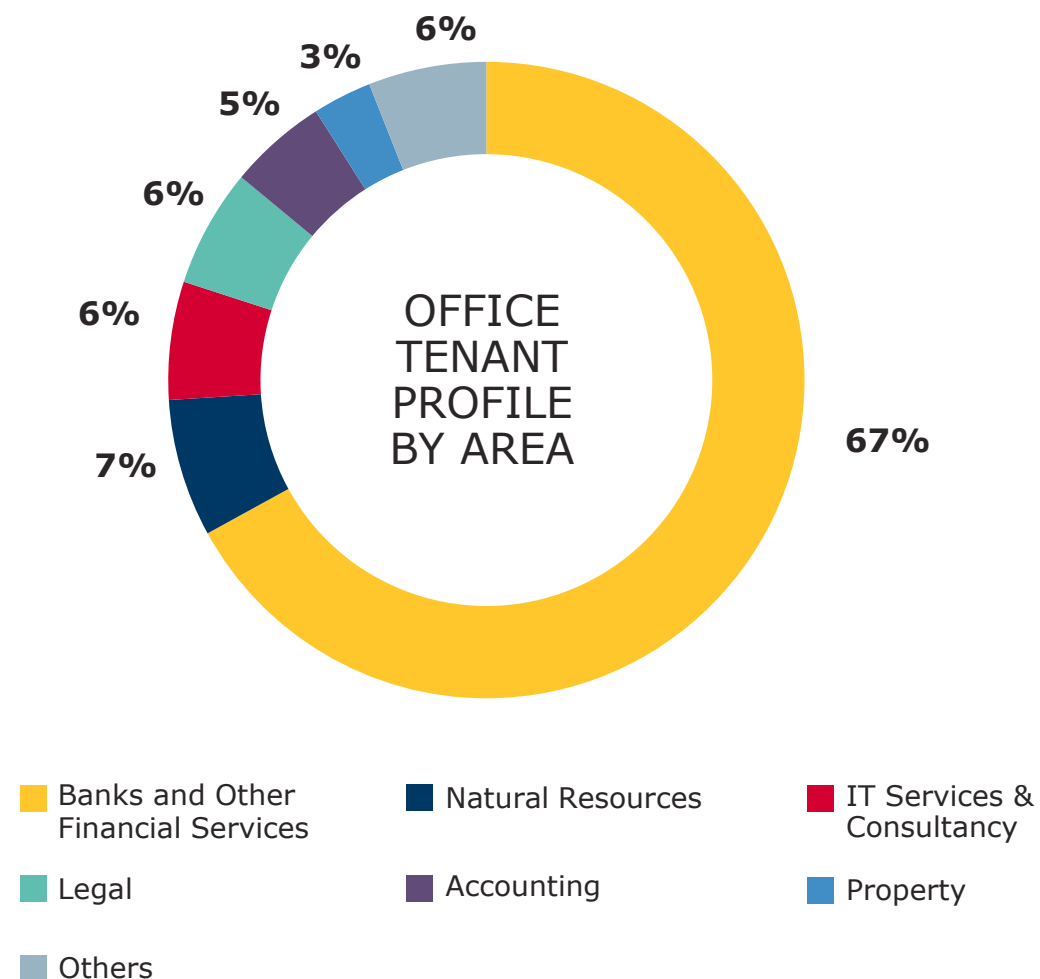


AVERAGE RENTS & VACANCY			
	1H 2018	2H 2018	1H 2019
Average net rent (HK\$ psf/month)	231	236	239
Period-end vacancy	0.4%	0.3%	0.7%
Weighted average lease expiry (years)	2.4	2.4	2.5



Singapore Portfolio – Office

Positive rental reversions



AVERAGE RENTS & VACANCY

	1H 2018	2H 2018	1H 2019
Average gross rent (S\$ psf/month)	9.1	9.2	9.6
Period-end vacancy	0.1%	2.5%	3.3%
Weighted average lease expiry (years)	3.7	3.9	3.6

EXPIRATION & INTERIM RENT REVISIONS

	2H 2019	2020	2021
HKL's Share: Total lettable office area subject to expiration/rent revisions ('000 sq. ft)	30	341	614
% of area subject to expiration/rent revisions	2%	21%	37%
- Expiration	2%	13%	26%
- Rent revisions	0%	8%	11%
Average expiring gross rent (S\$ psf/month)	10.2	9.0	9.5

Rest of Asia Portfolio

Performance within expectations

MAINLAND CHINA

Beijing – WF CENTRAL (84%-owned)

- Prestigious retail centre
- Dior recently opened its new flagship store in mainland China
- 43,000 sq. m. NFA of retail space
- Occupancy: 86% (committed)
- Mandarin Oriental Wangfujing opened in March 2019

SOUTHEAST ASIA

Jakarta – Jakarta Land (50%-owned)

- Existing portfolio features 210,000 sq. m. NFA
- Average office gross rent: US\$26 psm per month (2018: US\$26 psm per month)
- Office occupancy: 74%

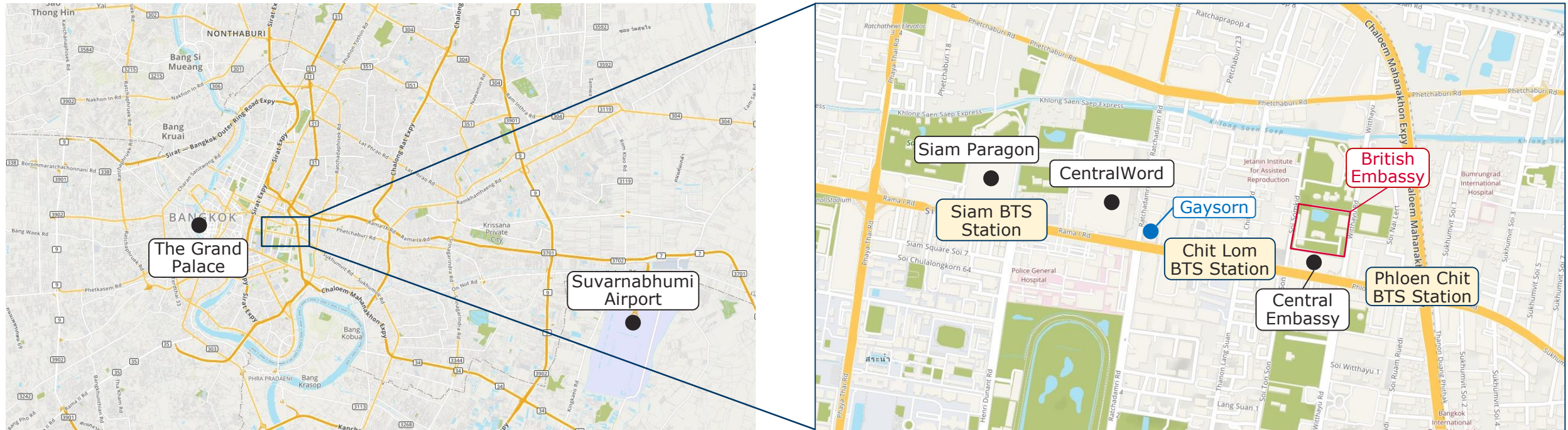
Phnom Penh – EXCHANGE SQUARE (100%-owned)

- NFA: 25,000 sq. m.
- Average office gross rent: US\$24 psm per month (2018: US\$24 psm per month)
- Office occupancy: 88%



Investment Properties Under Development

Expanding our portfolio of prime investment properties in key gateway cities in Asia



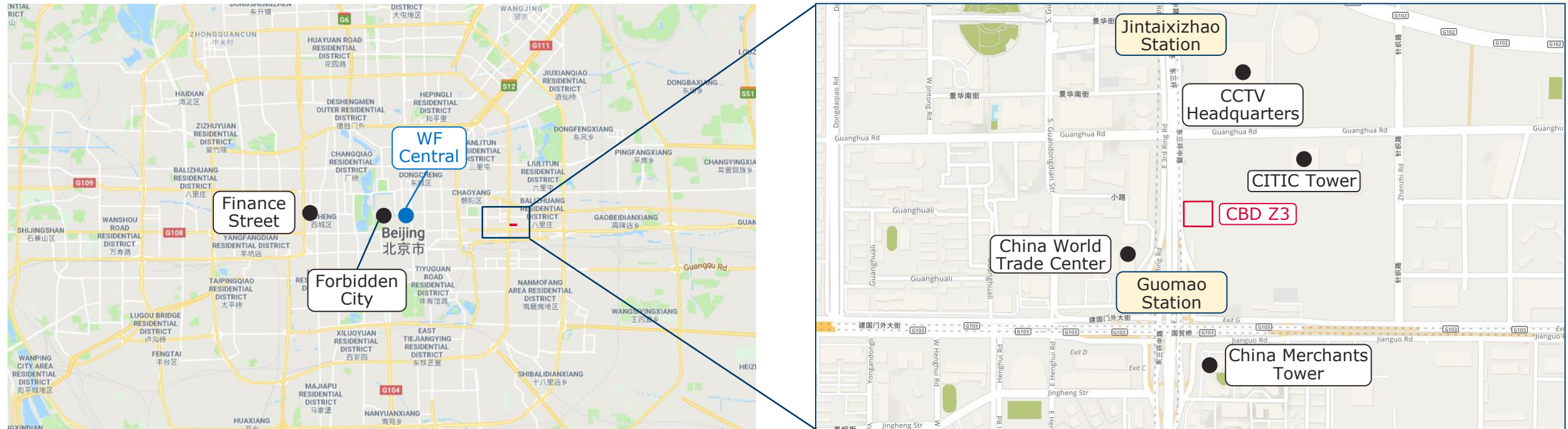
Bangkok – British Embassy (49%-owned)

- JV with Central Group
- Located on Wireless Road in the Bangkok CBD
- Office: 170,000 sq. m. GFA
- Retail: 120,000 sq. m. GFA
- Completion: Q3 2025



Investment Properties Under Development

Expanding our portfolio of prime investment properties in key gateway cities in Asia



Beijing – CBD Z3 (30%-owned)

- JV with Vantone and CICC
- Located in the heart of the Beijing CBD
- Office: 111,000 sq. m. GFA
- Retail: 16,000 sq. m. GFA
- Completion: 2023 / 2024



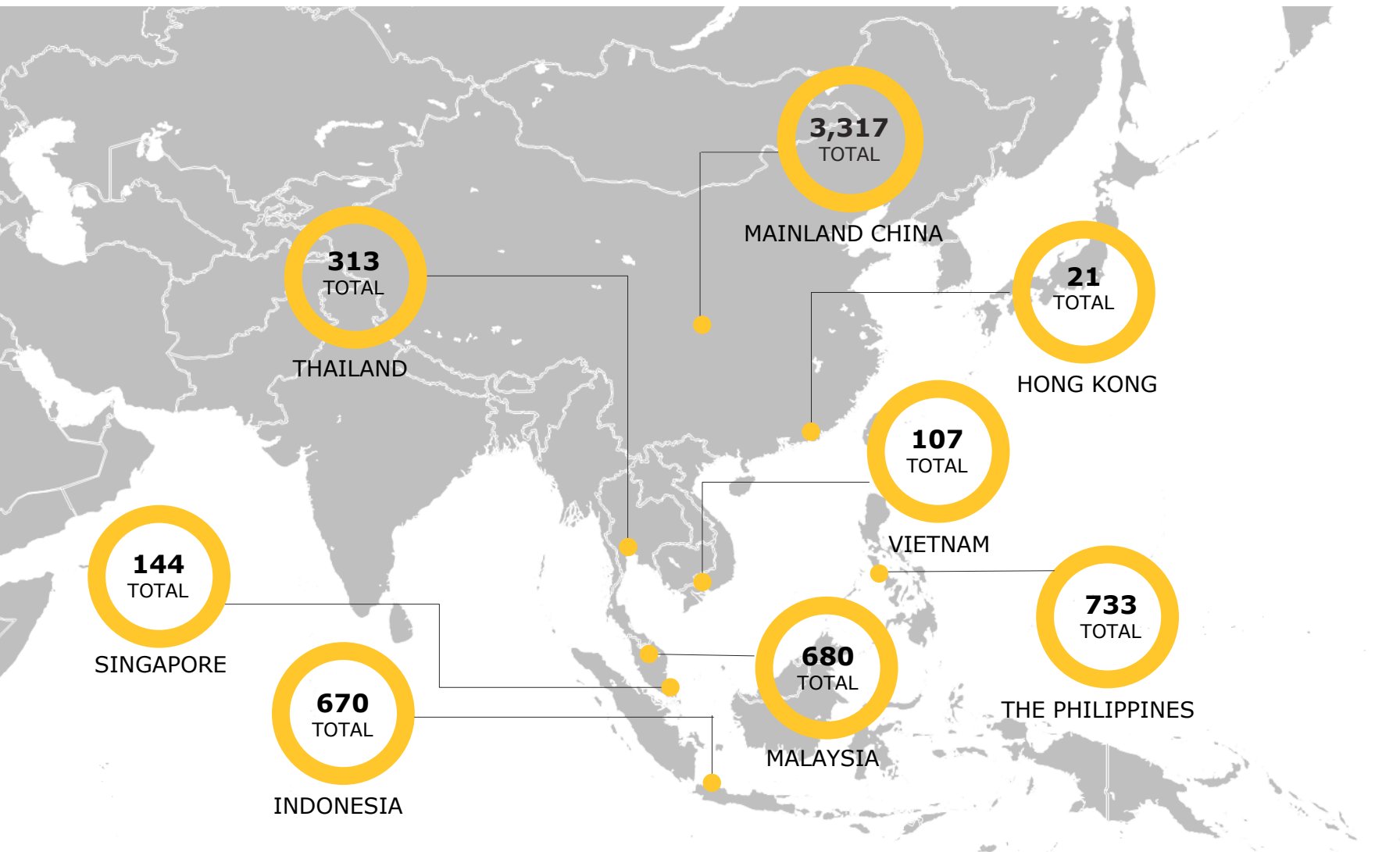


Development Properties



Development Properties Overview

HKL's Development Properties portfolio primarily spans seven countries and 14 cities, with a key focus on Mainland China and Singapore



TOTAL AREA UNDER CONSTRUCTION / TO BE DEVELOPED (HKL's share)

(000's sq. m. GFA)



*As at 30 Jun 2019



Mainland China Portfolio – Overview



CHONGQING

- Nine projects
- Total GFA 5.3 million sq. m.
(HKL's share: 3.8 million sq. m.)



WUHAN

- Two projects
- Total GFA 719,000 sq. m.
(HKL's share: 473,000 sq. m.)



BEIJING

- Central Park (40%-owned)
- Total GFA 329,000 sq. m.
(HKL's share: 132,000 sq. m.)



CHENGDU

- Two projects
- Total GFA 1.1 million sq. m.
(HKL's share: 514,000 sq. m.)



NANJING

- Three projects
- Total GFA 769,000 sq. m.
(HKL's share: 340,000 sq. m.)



HANGZHOU

- Hangzhou Bay (30%-owned)
- Total GFA 791,000 sq. m.
(HKL's share: 237,000 sq. m.)



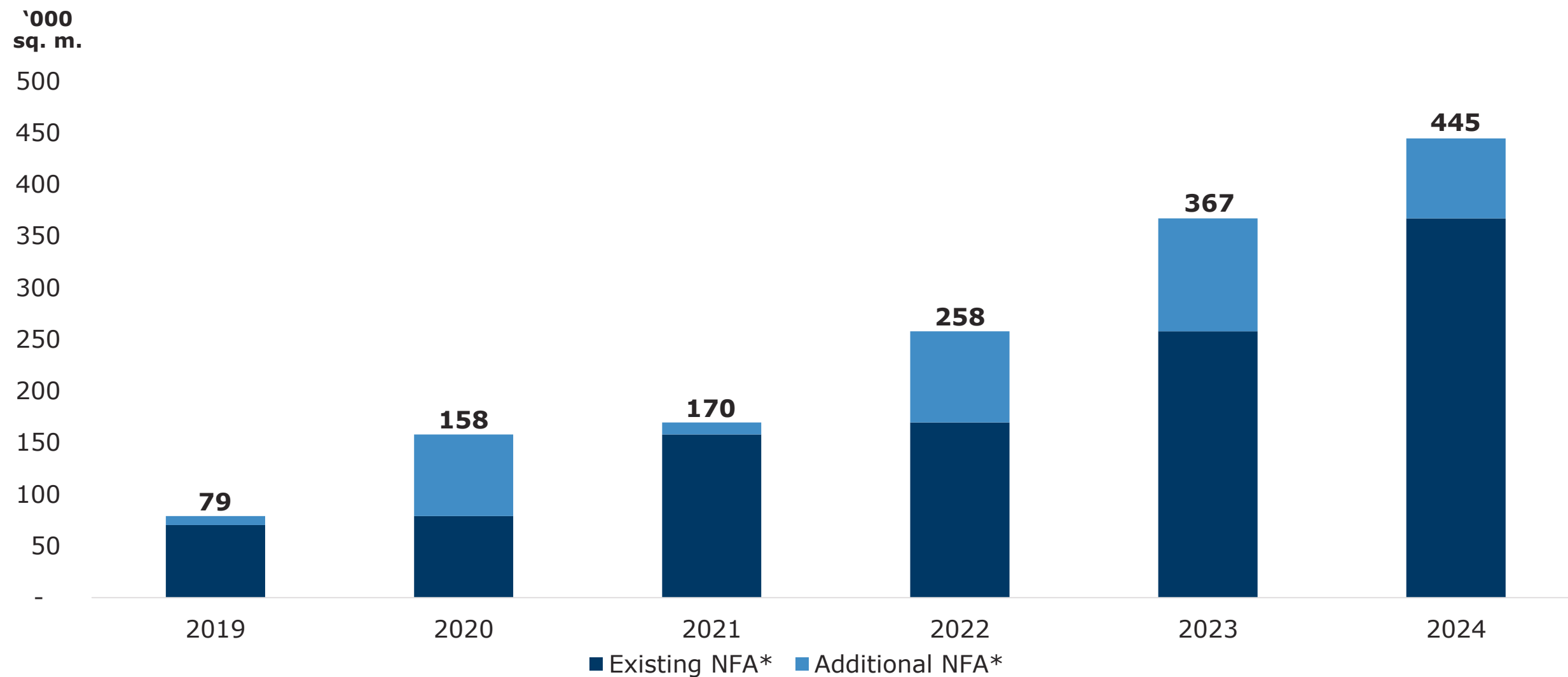
SHANGHAI

- Two projects
- Total GFA 639,000 sq. m.
(HKL's share: 226,000 sq. m.)

*The GFAs presented above include constructed, under construction and to be developed areas.



Development Properties – Assets Held for Medium-Term Lease



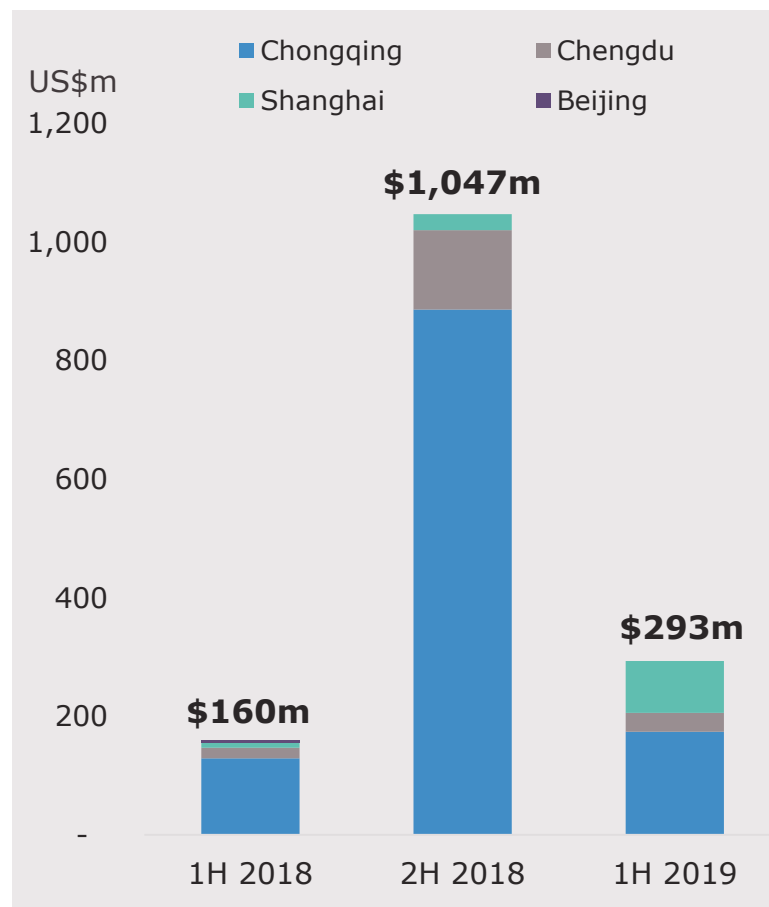
* HKL's share. The above analysis excludes Central Park which has an attributable NFA of 9,000 sq. m.



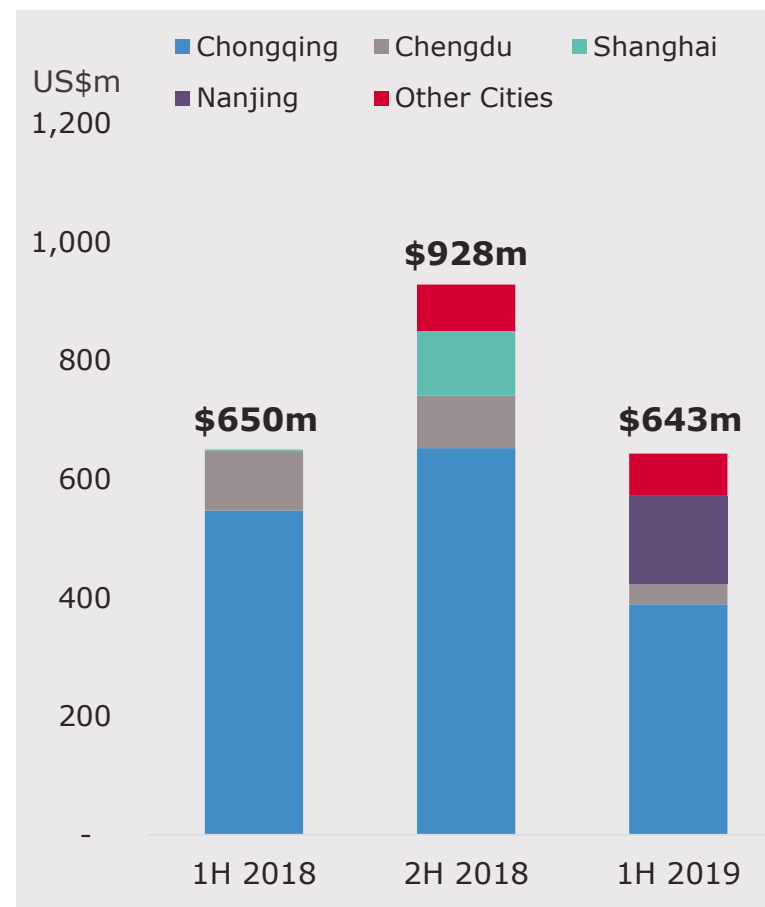
Mainland China Portfolio

Stable market sentiment but lower contracted sales due to the timing of sales launches

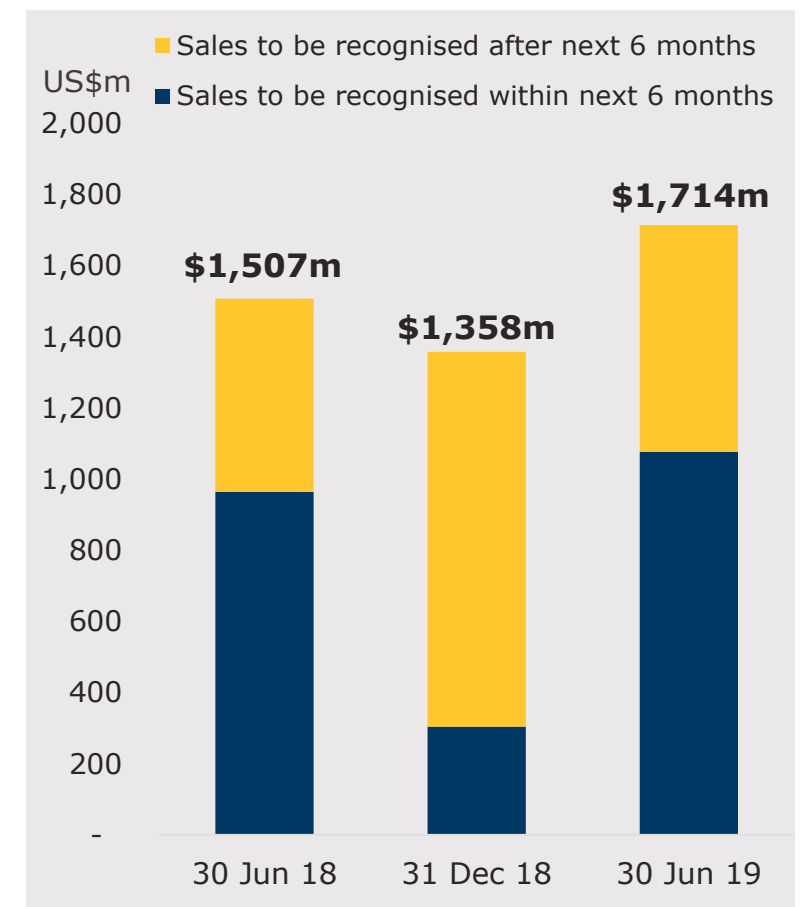
REVENUE RECOGNISED*#



CONTRACTED SALES#



SOLD BUT UNRECOGNISED SALES#



* Includes only revenue from property sales

The above analysis includes share of Joint Ventures & Associates

Note: For reference, reservation sales at the end of 1H 2018, 2H 2018 and 1H 2019 were US\$28m, US\$30m and US\$105m respectively.



Singapore Portfolio – Overview



LAKE GRANDE

- 710 units
- 50,000 sq. m. GFA
- Completed in 2 phases in April & May 2019
- 100% sold



TULIP GARDEN

- 50% JV with Yanlord
- 638 units
- 49,000 sq. m. GFA
- Completion: 2022

Note: The GFAs presented are on a 100% basis.



PARC ESTA

- 1,404 units
- 98,000 sq. m. GFA
- Completion: 2021
- 44% pre-sold



MARGARET VILLE

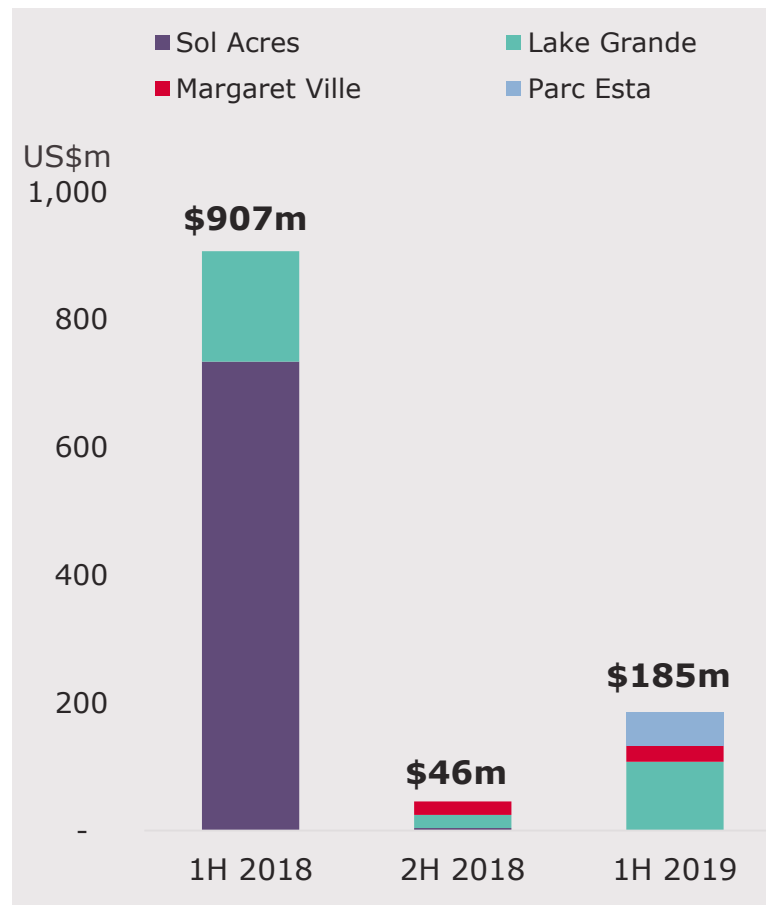
- 309 units
- 22,000 sq. m. GFA
- Completion: 2021
- 64% pre-sold



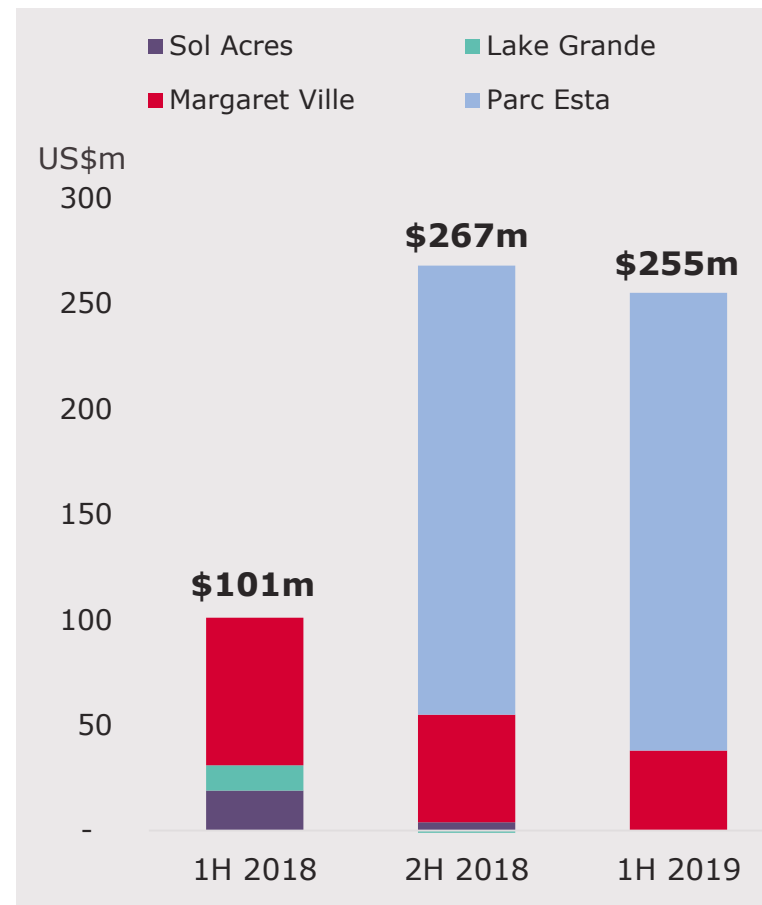
Singapore Portfolio

Higher contracted sales year-on-year due to the sales launch of Parc Esta in November 2018

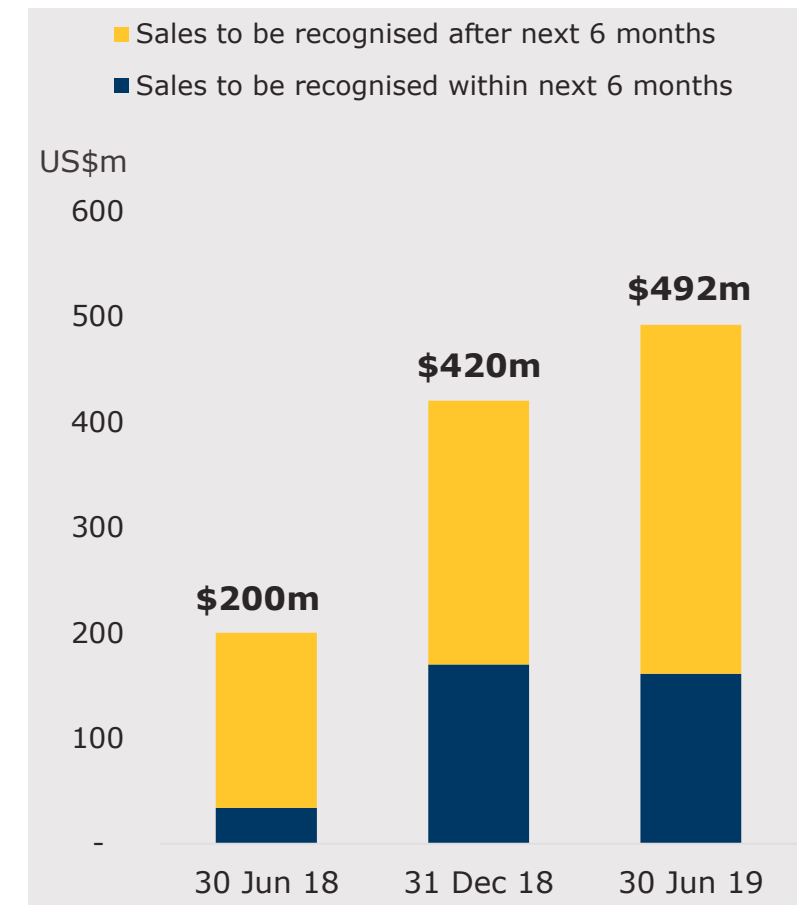
REVENUE RECOGNISED



CONTRACTED SALES



SOLD BUT UNRECOGNISED SALES



Rest of Asia Portfolio

Performance within expectations

INDONESIA

Nava Park (49%-owned)

- Site area: 68 ha; GFA: 743,000 sq. m.
- 734 units launched for sale, 91% pre-sold
- Completion: 2017 to 2031

Anandamaya (40%-owned)

- Site area: 1.3 ha; GFA: 96,000 sq. m.
- 509 units, 97% sold
- Completion: 2018

Asya (33.5%-owned)

- Site area: 68 ha; GFA: 884,000 sq. m.
- 442 units launched for sale, 39% pre-sold
- Completion: 2019 to 2031

Arumaya (40%-owned)

- Site area: 0.7 ha; GFA: 24,000 sq. m.
- 262 units, 23% reserved
- Completion: 2022

THE PHILIPPINES

Two Roxas Triangle (40%-owned)

- Site area: 0.4 ha; GFA: 98,000 sq. m.
- 182 units, 100% pre-sold
- Completion: 2019

Mandani Bay (40%-owned)

- Site area: 20 ha; GFA: 1.2 million sq. m.
- 3,778 units launched for sale, 75% pre-sold
- Completion: 2020 to 2036

THAILAND

The ESSE Sukhumvit 36 (49%-owned)

- Site area: 0.4 ha; GFA: 38,000 sq. m.
- 338 units, 61% pre-sold
- Completion: 2020

VIETNAM

The Marq (70%-owned)

- Site area: 0.5 ha; GFA: 57,000 sq. m.
- 515 units, 34% pre-sold
- Completion: 2021

Note: The GFAs presented are on a 100% basis.



New Project

One new Development Properties project was added during the first half of 2019

WUHAN



Houguan Lake Project (100%-owned)

- Pure residential project
- Total land cost: RMB1.7bn
- GFA: 226,000 sq. m.
- Completion: 2022



Financial Highlights



Consolidated Profit and Loss Account

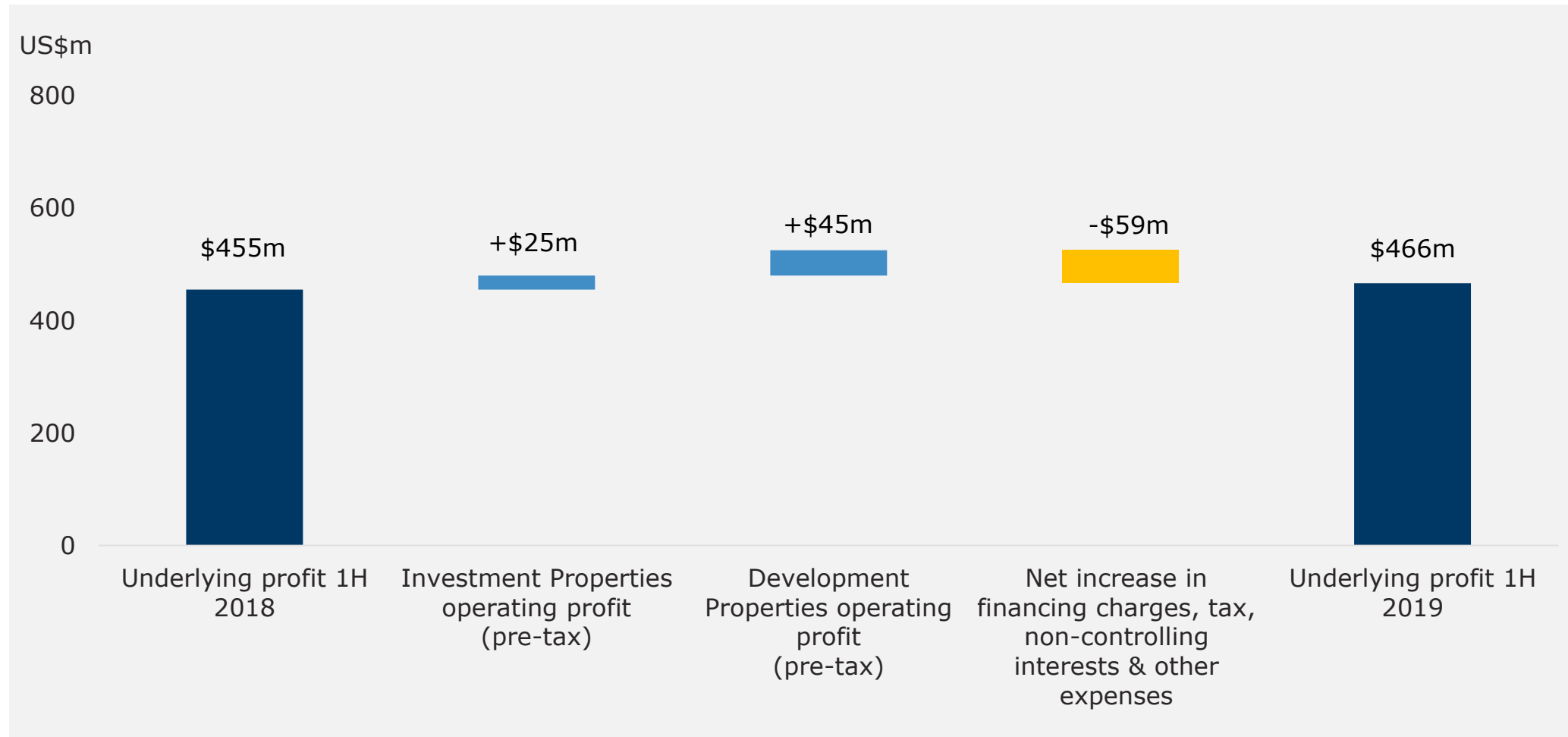
Underlying profit of US\$466 million, up 2% year-on-year

FY2018	(US\$m)	1H 2019	1H 2018	%YoY
2,665	Revenue	804	1,516	-47
(1,576)	Net operating costs	(334)	(997)	-66
1,089	Operating profit	470	519	-9
265	Share of results of joint ventures	127	74	72
(114)	Net financing charges	(59)	(52)	13
(206)	Tax	(72)	(86)	-16
2	Non-controlling interests	-	-	-
1,036	Underlying profit	466	455	2
1,421	Non-trading items	(55)	669	-108
2,457	Profit attributable to shareholders	411	1,124	-63



Movement in Underlying Profit

Increase in underlying profit driven by higher average rents in Hong Kong and development profit recognised in mainland China

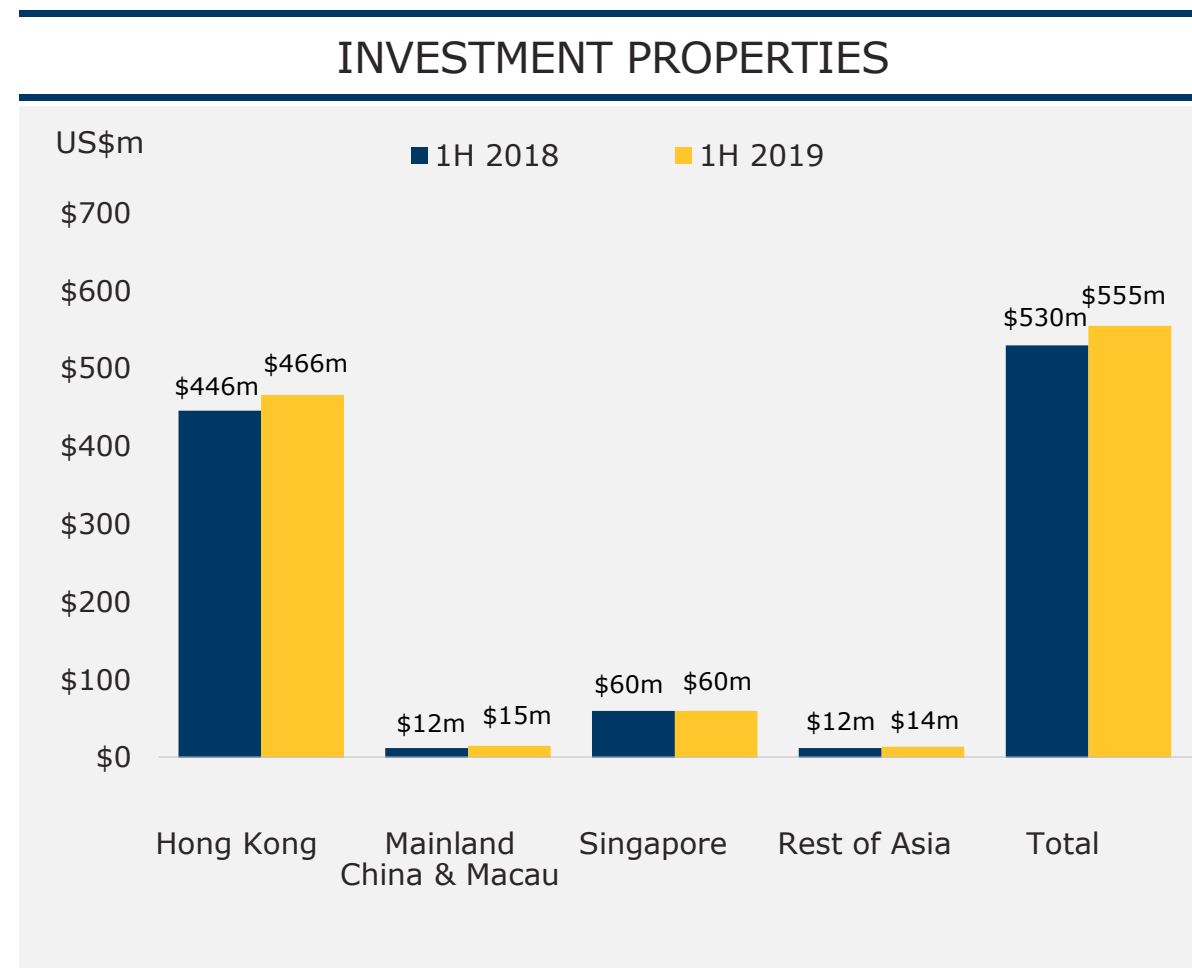
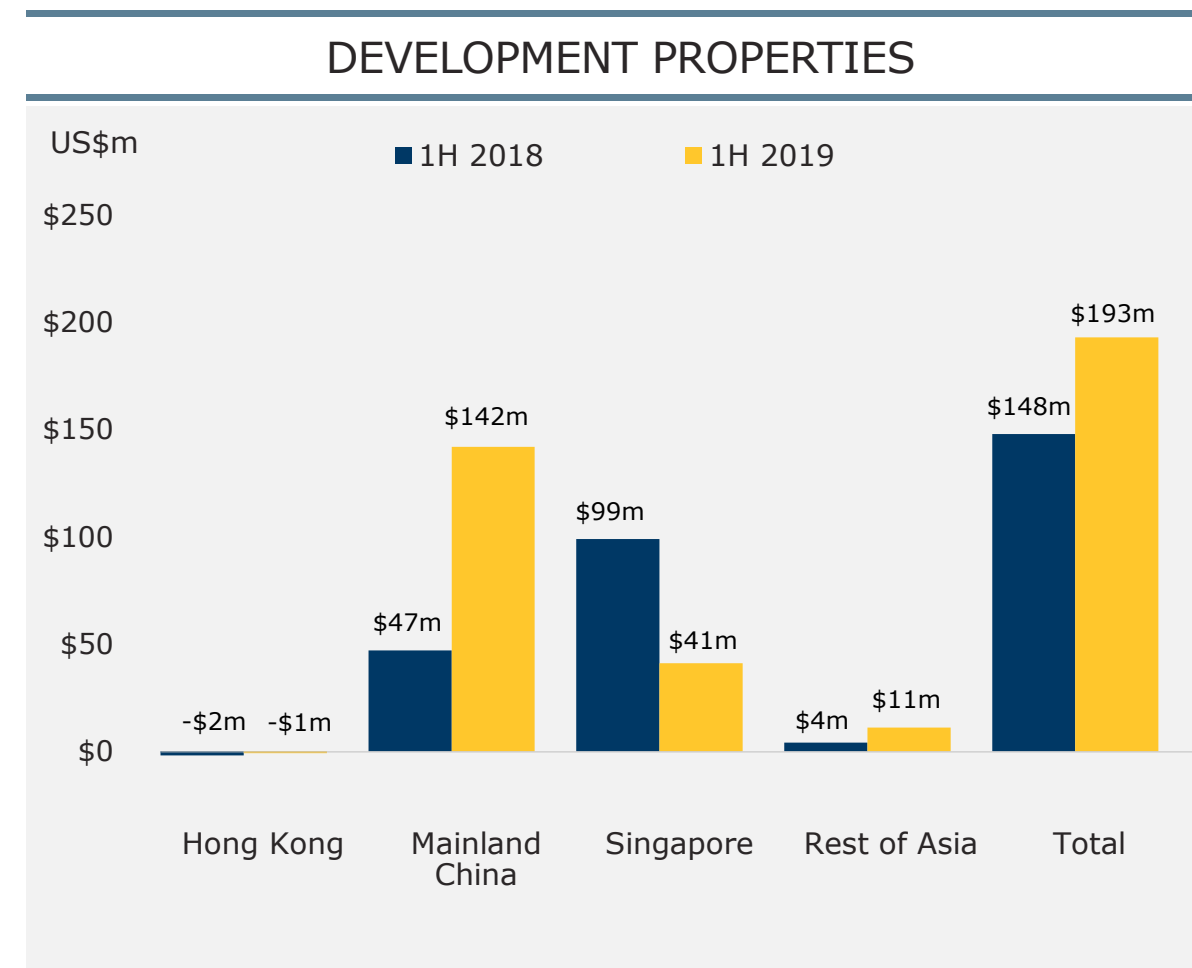


Note: The above analysis includes share of Joint Ventures & Associates



Operating Profit by Segment and Region

Hong Kong and Mainland China remain the largest profit contributors



Note: the above analysis includes share of Joint Ventures & Associates



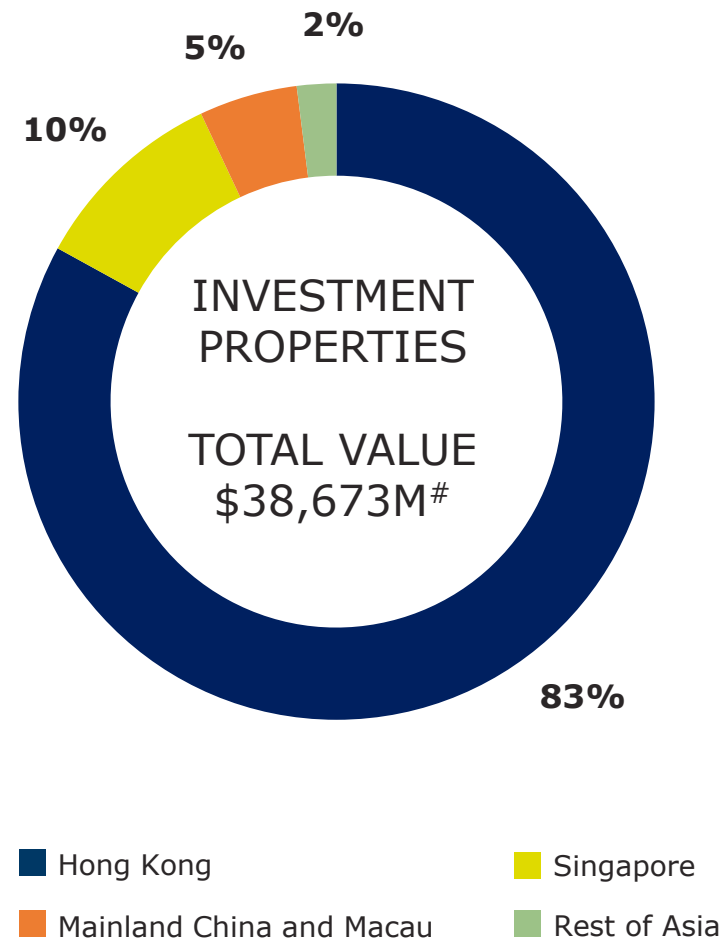
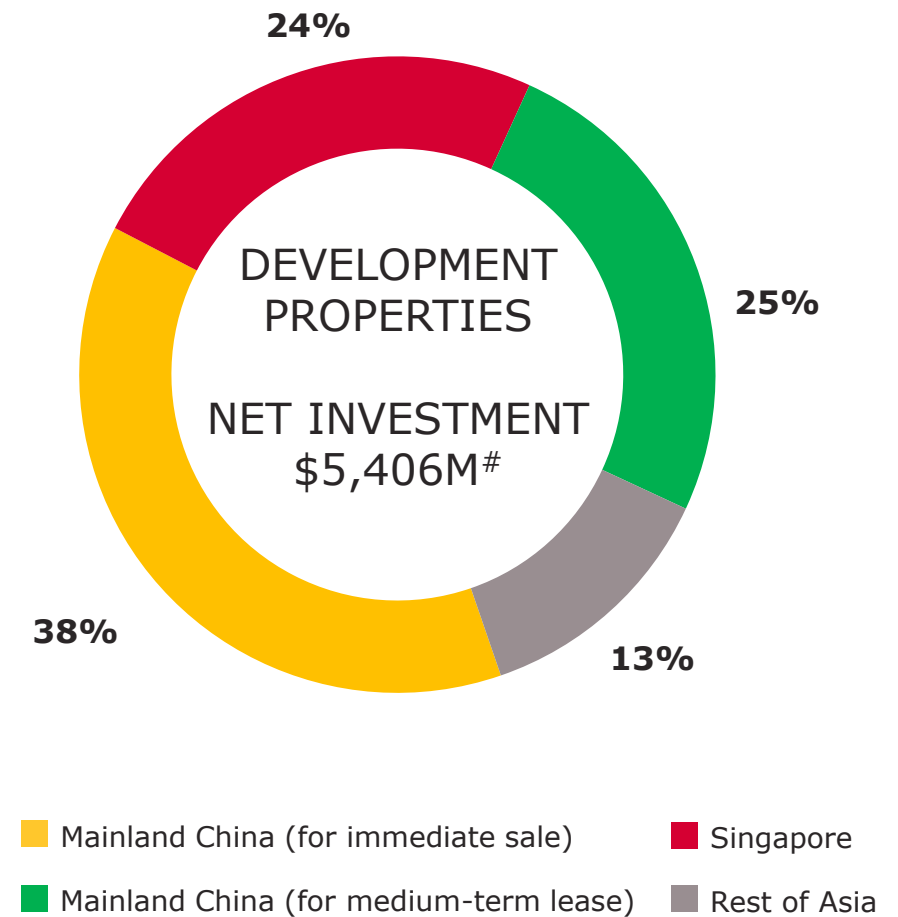
Consolidated Cash Flow

Higher operating cash flows primarily due to lower land payments

FY2018	(US\$m)	1H 2019	1H 2018	%YoY
604	Operating activities	438	173	153
(1,056)	Investing activities	(356)	(378)	-6
237	Financing activities	(316)	384	-182
(215)	Net cash (outflow)/inflow	(234)	179	-231
1,617	Cash and cash equivalents at beginning of the period	1,369	1,617	-15
(33)	Effect of exchange rate changes	14	(28)	-150
1,369	Cash and cash equivalents at end of the period	1,149	1,768	-35
(4,933)	Gross debt (excluding bank overdrafts)	(5,030)	(4,893)	3
(3,564)	Net debt at end of the period	(3,881)	(3,125)	24



Properties Carrying Values at 30 Jun 2019



[#] The above analysis includes share of Joint Ventures & Associates

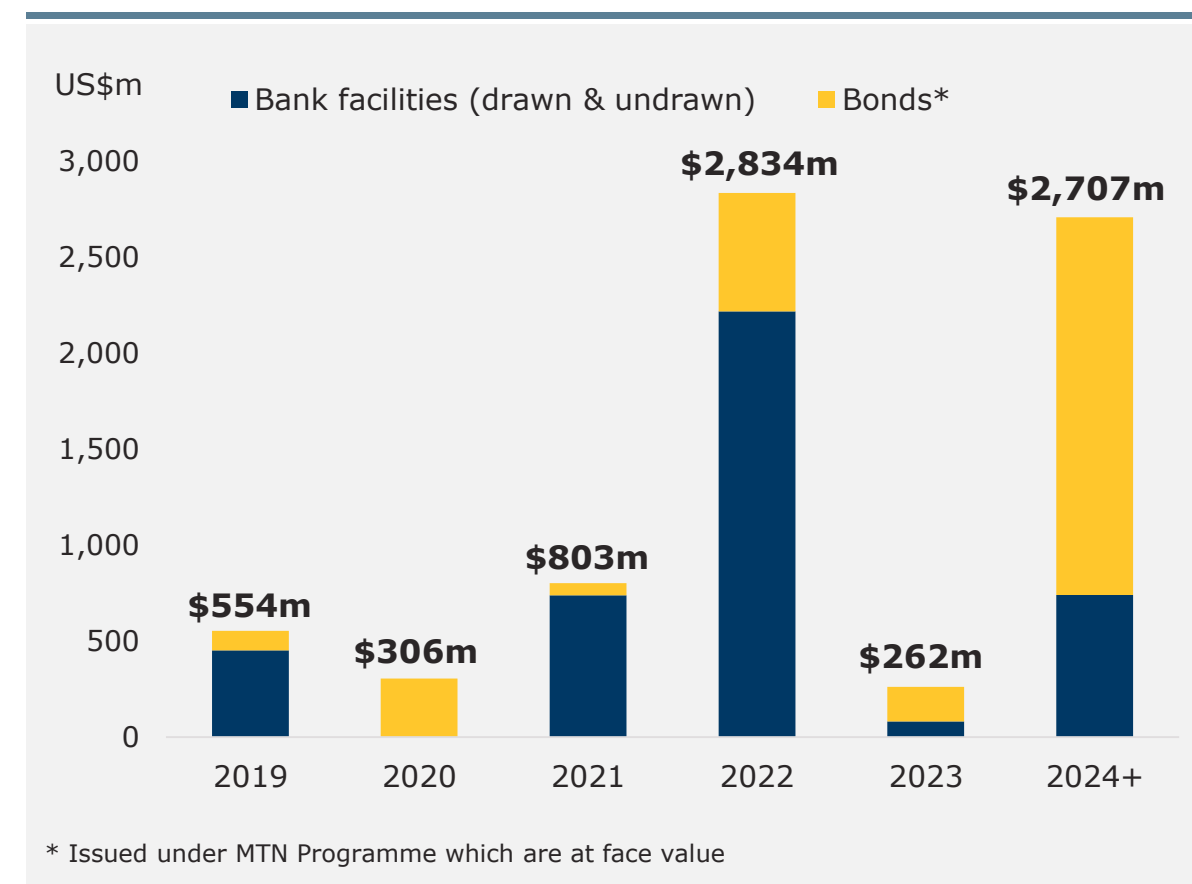


Treasury Management

Financial position and liquidity remain strong

	31 DEC 2018	30 JUN 2019
Net debt (US\$m)	3,564	3,881
Net gearing	9%	10%
Average tenor of debt (years)	6.2	6.0
Average interest cost	3.5%	3.7%
Credit ratings		
- S&P	A	A
- Moody's	A3	A3

MATURITY PROFILE OF COMMITTED FACILITIES / BONDS (AT 30 JUN 19)





Outlook



2019 Half-Year Results

Outlook

Solid full year performance expected

INVESTMENT PROPERTIES

- Investment Properties are expected to continue to generate stable returns
- New strategic initiatives to enhance tenant service offering to be announced in the coming months
- Continue to look for attractive opportunities to develop prime investment properties in key gateway cities in Asia

DEVELOPMENT PROPERTIES

- Higher sales completions in mainland China expected in 2H 2019
- The Group remains active in seeking development opportunities in mainland China and Southeast Asia

FINANCIAL

- Net gearing expected to decline modestly in the absence of further new site acquisitions
- Balance sheet remains strong with capacity to further invest in new projects
- Maintain disciplined approach in assessing opportunities





Q & A





Appendix



Hong Kong Investment Properties Summary

HKL's SHARE (‘000 sq. ft NFA)	OFFICE	RETAIL	HOTEL	TOTAL ¹
One Exchange Square	570	-	-	570
Two Exchange Square	507	-	-	507
Three Exchange Square	322	-	-	322
Exchange Square Podium	-	49	-	49
The Forum	41	-	-	41
Jardine House	635	45	-	680
Chater House	417	48	-	465
Alexandra House	325	48	-	373
Gloucester Tower	470	-	-	470
Edinburgh Tower	338	-	-	338
The Landmark Mandarin Oriental	-	-	143	143
York House	110	-	-	110
Landmark Atrium	-	251	-	251
Prince's Building	404	146	-	550
Total	4,139	587	143	4,869²

¹ Excluding residential properties in Hong Kong of 71,000 sq. ft.

² Equivalent to 452,000 sq. m.



Singapore Investment Properties Summary

HKL's SHARE (‘000 sq. ft NFA)	OFFICE	RETAIL	TOTAL
One Raffles Link	242	70	312
One Raffles Quay	441	1	442
MBFC	964	60	1,024
Total	1,647	131	1,778¹

¹ Equivalent to 165,000 sq. m.



Other Investment Properties Summary

HKL's SHARE ('000 sq. ft NFA)	OFFICE	RETAIL	HOTEL	TOTAL
Beijing	-	389	139	528
Macau	-	98	151	249
Jakarta	1,037	92	-	1,129
Hanoi	75	8	-	83
Bangkok	27	61	-	88
Phnom Penh	198	113	94	405
Others	42	-	216	258
Total	1,379	761	600	2,740¹

¹ Equivalent to 255,000 sq. m.



Mainland China Development Properties Summary (1)

PROJECT	CITY	INTEREST	YEAR OF ACQUISITION	SITE AREA (ha)	DEVELOPABLE AREA (m sq. m.)	HKL's SHARE		
						CONSTRUCTED (m sq. m.)	UNDER CONSTRUCTION (m sq. m.)	TO BE DEVELOPED (m sq. m.)
Central Park	Beijing	40%	2001	40.2	0.13	0.13	-	-
Yorkville South	Chongqing	100%	2010	38.6	0.88	0.68	0.20	-
Yorkville North	Chongqing	100%	2011	53.8	1.12	0.53	0.57	0.01
New Bamboo Grove	Chongqing	50%	2015	34.8	0.32	0.24	0.09	-
Landmark Riverside	Chongqing	50%	2009	22.2	0.55	0.28	0.12	0.16
Central Avenue	Chongqing	50%	2013	40.2	0.56	0.19	0.20	0.17
River One (formerly "Bamboo Grove Riverside")	Chongqing	100%	2017	14.2	0.16	-	0.16	-
Harbour Tale (formerly "Lijia Landscape")	Chongqing	50%	2017	9.5	0.06	-	0.06	-
Hillview (formerly "Liangjiang New Project")	Chongqing	50%	2018	4.1	0.03	-	0.03	-
The Pinnacle (formerly "Yuelai Project")	Chongqing	100%	2018	8.3	0.13	-	-	0.13

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Mainland China Development Properties Summary (2)

PROJECT	CITY	INTEREST	YEAR OF ACQUISITION	SITE AREA (ha)	DEVELOPABLE AREA (m sq. m.)	HKL's SHARE		
						CONSTRUCTED (m sq. m.)	UNDER CONSTRUCTION (m sq. m.)	TO BE DEVELOPED (m sq. m.)
WE City	Chengdu	50%	2010	19.0	0.46	0.24	0.11	0.11
Artisan Bay (formerly "Yixinhu Project")	Chengdu	33%	2018	6.2	0.05	-	0.05	-
Hangzhou Bay	Hangzhou	30%	2017	38.6	0.24	-	0.05	0.19
Yue City	Nanjing	33%	2017	19.9	0.09	-	0.02	0.07
JL CENTRAL	Nanjing	50%	2018	2.5	0.13	-	-	0.13
River and City (formerly "Jiangbei Project")	Nanjing	50%	2018	11.5	0.13	-	0.13	-
Parkville	Shanghai	50%	2015	9.1	0.12	0.12	-	-
Caohejing Project	Shanghai	27%	2018	11.8	0.11	-	-	0.11
Wuhan Dream Land	Wuhan	50%	2017	16.4	0.25	-	0.04	0.20
Houguan Lake Project	Wuhan	100%	2019	9.1	0.23	-	-	0.23
Total				410	5.72	2.41	1.83	1.49



Singapore Development Properties Summary

HKL's SHARE							
PROJECT	INTEREST	YEAR OF ACQUISITION	SITE AREA (ha)	DEVELOPABLE AREA (m sq. m.)	CONSTRUCTED (m sq. m.)	UNDER CONSTRUCTION (m sq. m.)	TO BE DEVELOPED (m sq. m.)
Margaret Ville	100%	2017	0.5	0.02	-	0.02	-
Parc Esta	100%	2018	3.5	0.10	-	0.10	-
Tulip Garden	50%	2019*	3.0	0.02	-	-	0.02
Total			7.0	0.14	-	0.12	0.02

*Land sales was completed in February 2019



Other Southeast Asia Development Properties Summary (1)

PROJECT	COUNTRY	INTEREST	YEAR OF ACQUISITION	SITE AREA (ha)	DEVELOPABLE AREA (m sq. m.)	HKL's SHARE		
						CONSTRUCTED (m sq. m.)	UNDER CONSTRUCTION (m sq. m.)	TO BE DEVELOPED (m sq. m.)
Nava Park	Indonesia	49%	2012	67.5	0.36	0.04	0.04	0.28
Anandamaya Residences	Indonesia	40%	2013	1.3	0.04	0.04	-	-
Asya	Indonesia	33.5%	2016	67.6	0.30	-	0.01	0.29
Arumaya	Indonesia	40%	2018	0.7	0.01	-	0.01	-
Avania (formerly Gatot Subroto)	Indonesia	50%	2018	1.9	0.04	-	-	0.04
The ESSE Sukhumvit 36	Thailand	49%	2017	0.4	0.02	-	0.02	-
Nonthaburi	Thailand	49%	2018	73.8	0.21	-	0.02	0.19
King Kaew	Thailand	49%	2018	44.9	0.08	-	-	0.08

Continued on the next slide



Other Southeast Asia Development Properties Summary (2)

PROJECT	COUNTRY	INTEREST	YEAR OF ACQUISITION	SITE AREA (ha)	DEVELOPABLE AREA (m sq. m.)	HKL's SHARE		
						CONSTRUCTED (m sq. m.)	UNDER CONSTRUCTION (m sq. m.)	TO BE DEVELOPED (m sq. m.)
Two Roxas Triangle	The Philippines	40%	1995	0.4	0.04	-	0.04	-
Mandani Bay	The Philippines	40%	2013	19.6	0.48	-	0.13	0.35
Northpine	The Philippines	40%	1996-2019	165.6	0.35	0.19	0.01	0.15
Bridgetowne	The Philippines	40%	2018	1.8	0.06	-	-	0.06
The Nassim	Vietnam	50%	2014	0.6	0.02	0.02	-	-
Thu Thiem River Park	Vietnam	80%	2019	1.5	0.07	-	-	0.07
The Marq	Vietnam	70%	2017	0.5	0.04	-	0.04	-
Others	Malaysia & others	n/a	n/a	113.2	0.72	0.04	0.02	0.66
Total				561.3	2.82	0.32	0.34	2.16



Consolidated Cash Flow - Operating Activities

FY2018	(US\$m)	1H 2019	1H 2018	%YoY
1,089	Operating profit excluding non-trading items	470	519	-9
(127)	Net interest paid	(71)	(65)	9
(172)	Tax paid	(87)	(55)	58
(809)	Payments for Development Properties sites	(65)	(655)	-90
(355)	Development expenditure on Development Properties projects	(244)	(174)	40
1,328	Proceeds from Development Properties sales	642	791	-19
139	Dividends received from joint ventures	54	37	46
(489)*	Others	(261)	(225)	16
604		438	173	153

* Includes two bidding deposits, totaling US\$93m, which were returned post year-end.



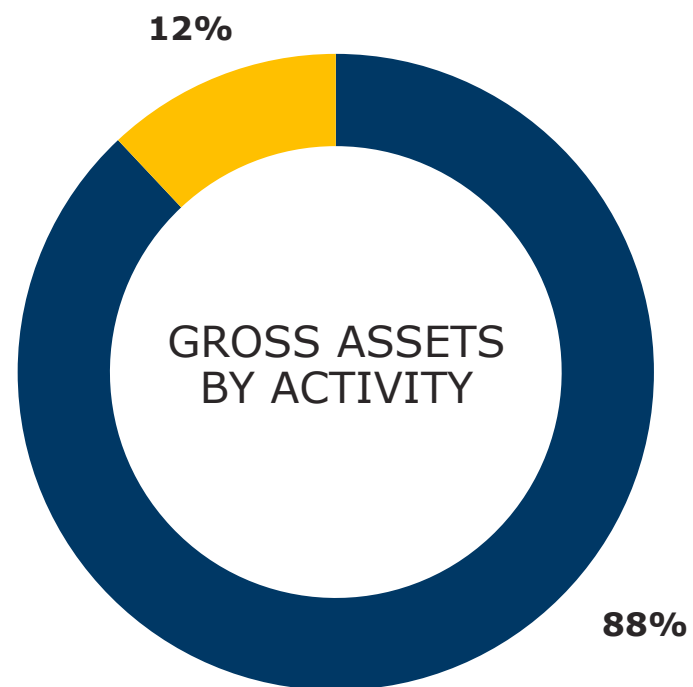
Consolidated Balance Sheet

FY2018	(US\$m)	1H 2019	1H 2018	%YoY
	Investment Properties			
33,712	- Subsidiaries	33,816	33,069	2
4,803	- Joint ventures	4,857	4,529	7
38,515		38,673	37,598	3
	Development Properties*			
2,299	- Subsidiaries	2,324	2,508	-7
3,911	- Joint ventures	4,567	3,073	49
6,210		6,891	5,581	23
(1,060)	Pre-sale proceeds	(1,485)	(1,505)	-1
(1,731)	Others	(1,669)	(1,231)	36
41,934	Gross assets (excluding cash)	42,410	40,443	5
	Financed by:			
38,370	- Total equity	38,529	37,318	3
3,564	- Net debt	3,881	3,125	24
41,934		42,410	40,443	5

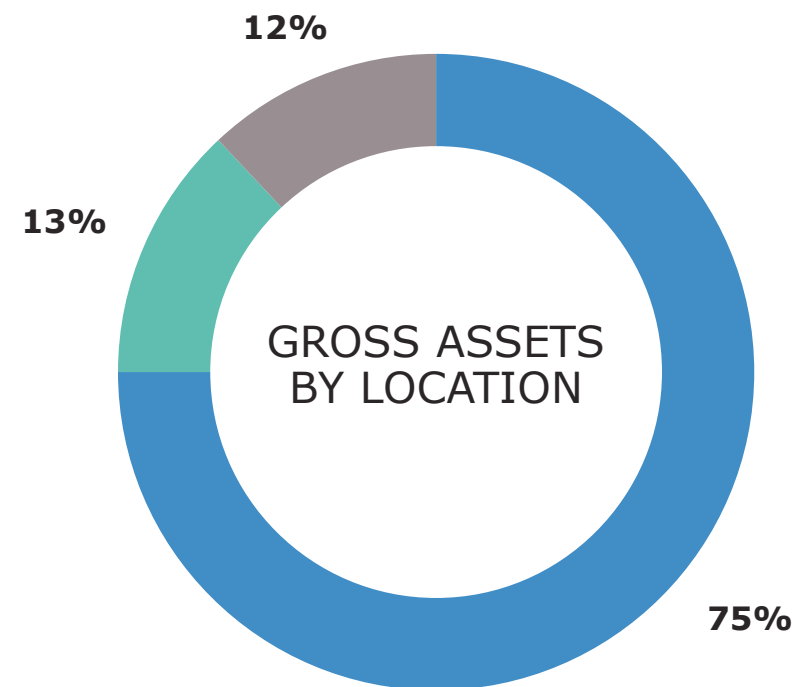
* Includes contract assets



Gross Assets at 30 Jun 2019



■ Investment Properties ■ Development Properties



■ Hong Kong ■ Southeast Asia ■ Mainland China and Macau

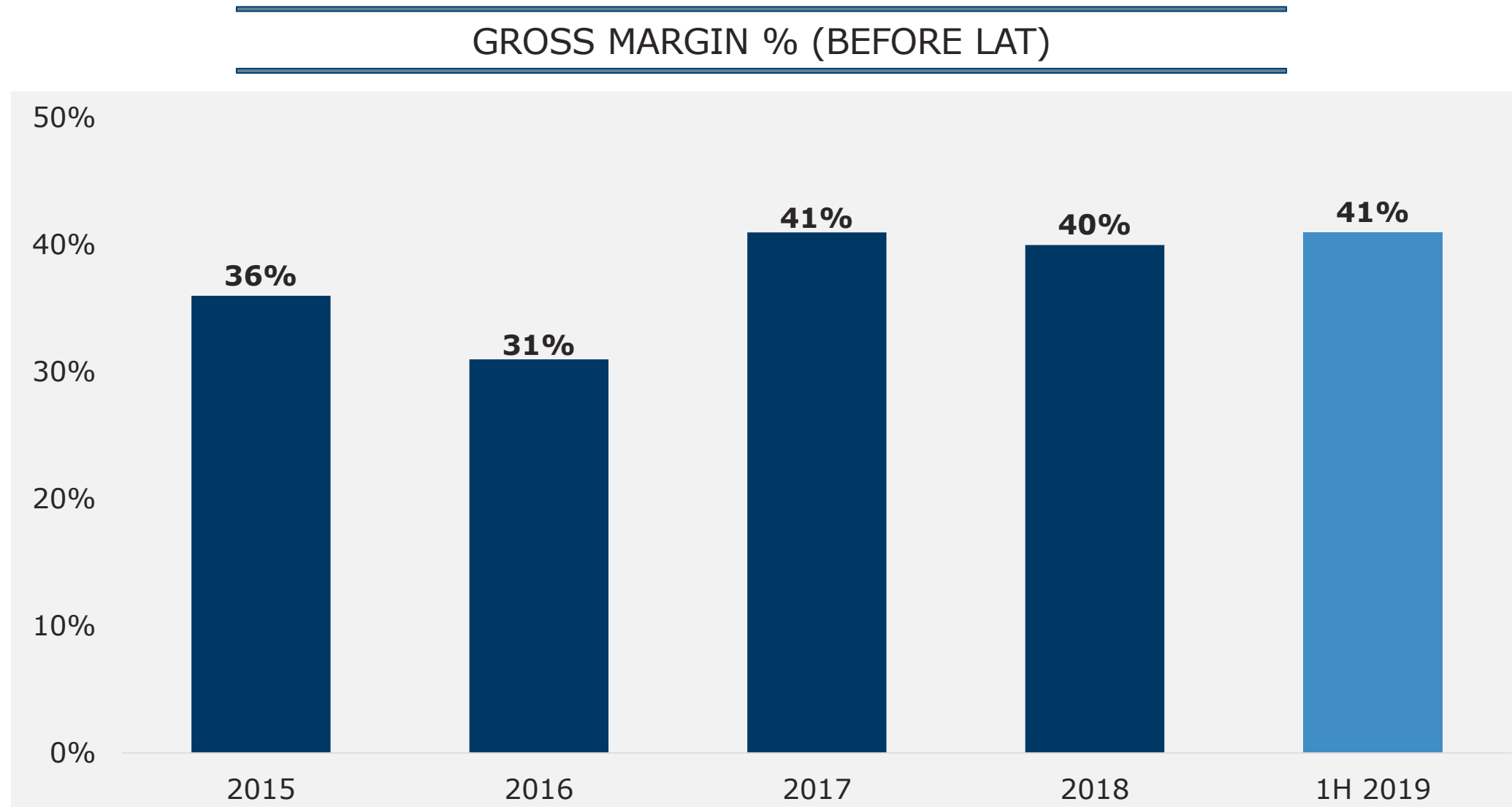


Investment Properties – Basis of Valuation

CAPITALISATION RATES			
	1H 2018	2H 2018	1H 2019
Hong Kong Office – Exchange Square 1 & 2	3.00%	3.00%	3.00%
Hong Kong Retail – Landmark Atrium	4.50%	4.50%	4.50%
Singapore Office – MBFC	3.25%	3.25%	3.25%



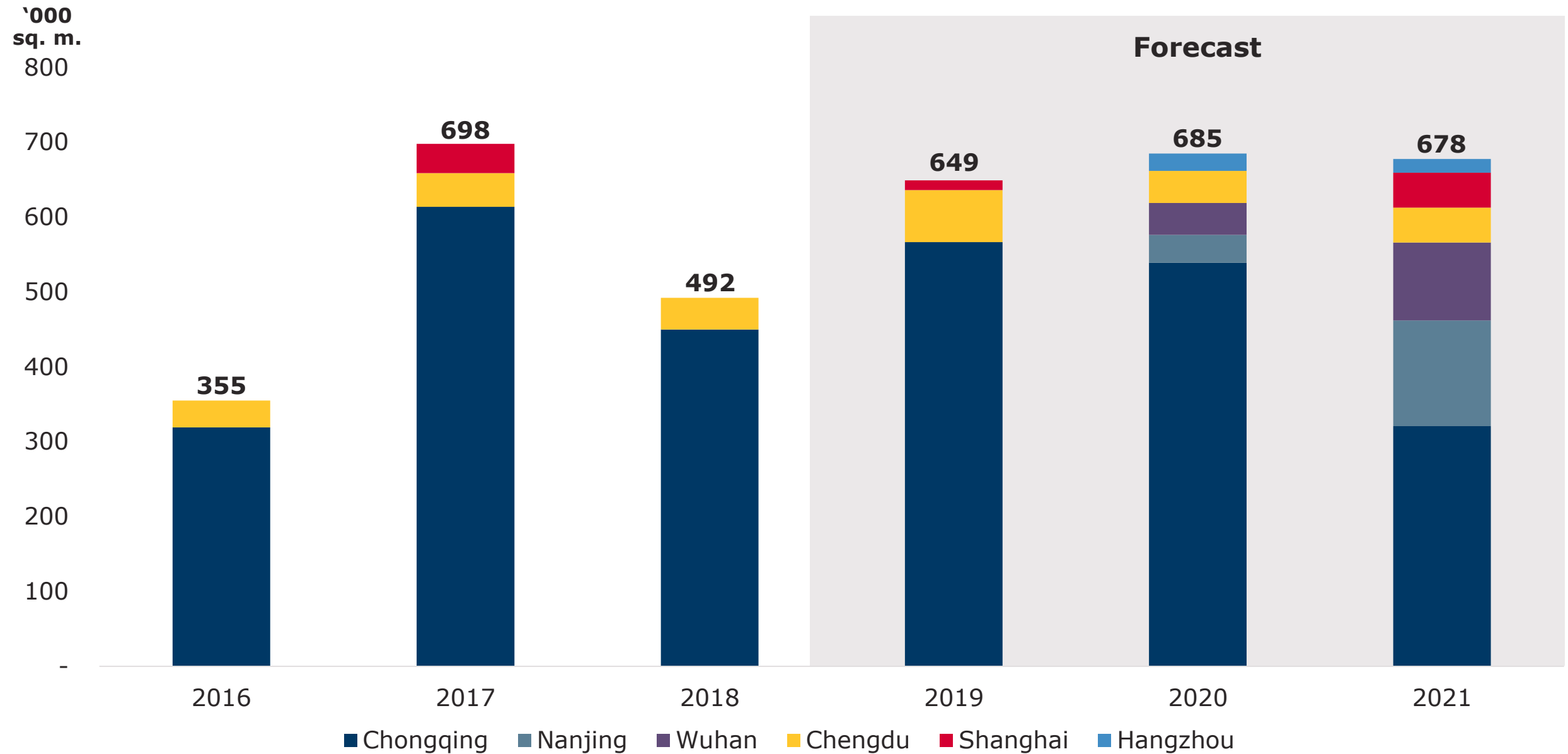
Development Properties – Completed Sales Gross Margin in Mainland China



Note: The above analysis includes share of Joint Ventures & Associates



Development Properties – Attributable Saleable GFA Completions in Mainland China



Treasury Management

LIQUIDITY AT 30 JUN 2019 (All figures in US\$ billion)							
	Liquidity at 31 DEC 2018	HK\$ ¹	S\$ ²	US\$	RMB	THB ³	TOTAL
Committed lines	7.2	4.9	1.6	-	1.0	-	7.5
Gross debt	4.9	3.3	0.9	-	0.5	0.3	5.0
Available lines	2.3	1.6	0.7	-	0.5	(0.3)	2.5
Cash	1.3	-	0.4	0.3	0.4	-	1.1
Available liquidity	3.6	1.6	1.1	0.3	0.9	(0.3)	3.6⁴

¹ HK\$ debt includes US\$ debt swapped into HK\$

² S\$ debt includes HK\$ debt swapped into S\$

³ THB debt is funded by uncommitted lines

⁴ Excluding cash and undrawn facilities for specific projects, liquidity was US\$2.5bn



DEBT MANAGEMENT AND HEDGING POLICIES AT 30 JUN 2019

