

2023 ANNUAL RESULTS PRESS BRIEFING

Hysan Development Company Limited
22 February 2024



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Keynote Address

Chairman

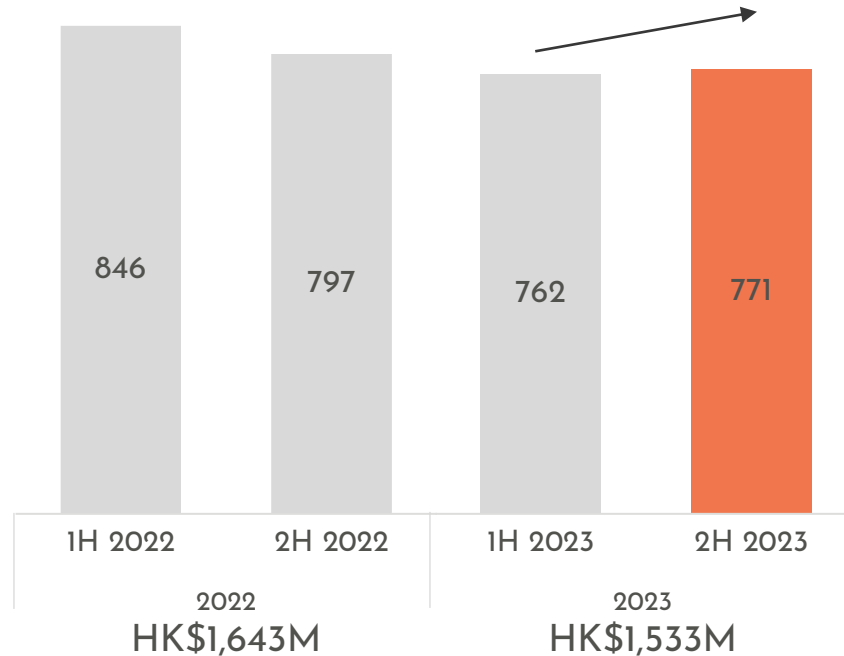
Ms. Irene Lee

2023 : A mix of challenges and opportunities

- ≡ A year of global upheaval as the world gradually recovered from the pandemic. Many continuing and new challenges were impediments to recovery
- ≡ Hong Kong was not immune to the impact of external shocks
 - ❖ While there were improvements, especially in tourist numbers, consumption was cautious and the export sector remained weak
- ≡ Cities in the Greater Bay Area offered attractive day or weekend trips for Hong Kong, resulting in an imbalance in tourist flows

Dual-engine portfolio + Community Business Model provide resilience and strength

Retail Revenue (HK\$M)



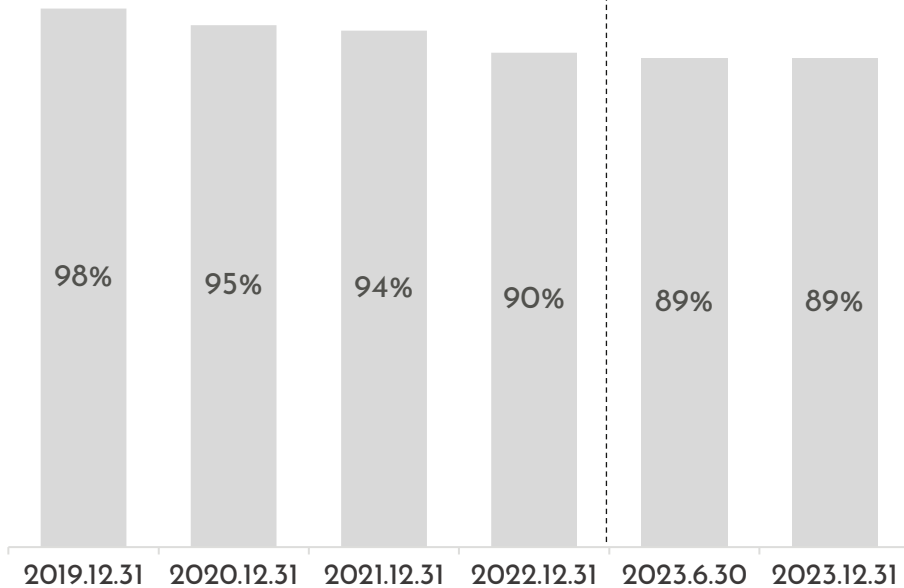
➤ The demand for expansion by our key retail anchor tenants gave us the confidence and impetus to the strategic rejuvenation

➤ Retail turnover slightly increased despite approximately 10% of our retail area was closed for Lee Gardens rejuvenation in 2023 on average

➤ The rental reversion rate on renewals, rent review and new lettings was predominantly positive during 2023

Dual-engine portfolio + Community Business Model provide resilience and strength

Office Portfolio Occupancy



Despite the structural changes in the office sector, our office portfolio has demonstrated resilience and settled at a relatively stable occupancy rate of 89%

Lee Gardens is a highly desirable and competitive choice with our premium office space and facilities. New leases have been taken up by high-end retailers and service trades

Our investment in flexible workspace complements our office portfolio in the new office ecosystem

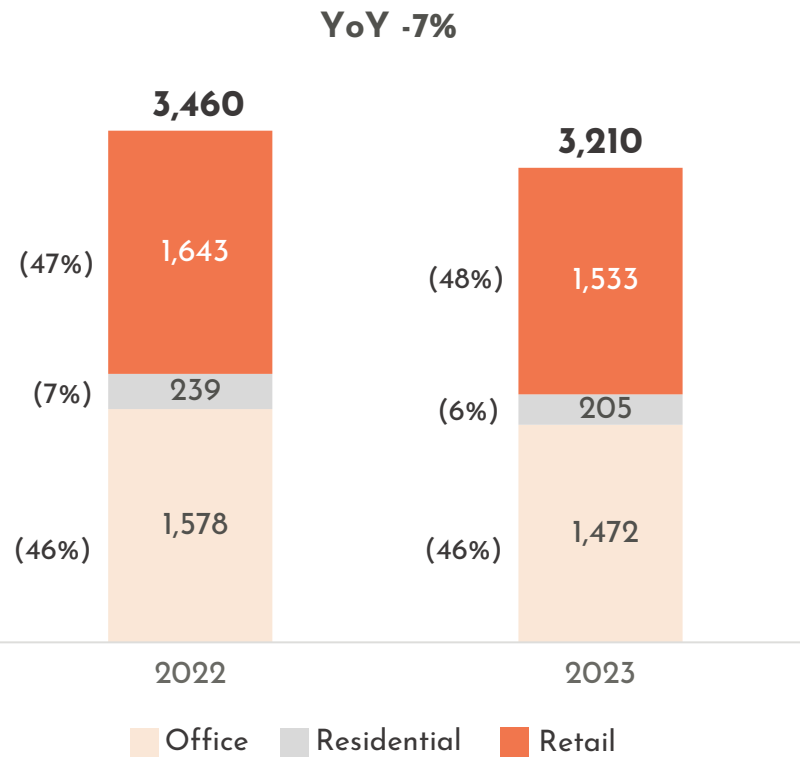


Business and Operation Review

Executive Director and Chief Operating Officer
Mr. Ricky Lui

2023 Annual Results

Revenue (HK\$M)



Year-end Occupancy

Retail	97% (2022 : 99%)
Office	89% (2022 : 90%)
Residential	60% (2022 : 61%)

Approximately 10% of our retail area were taken off for major enhancement which affected the retail revenue

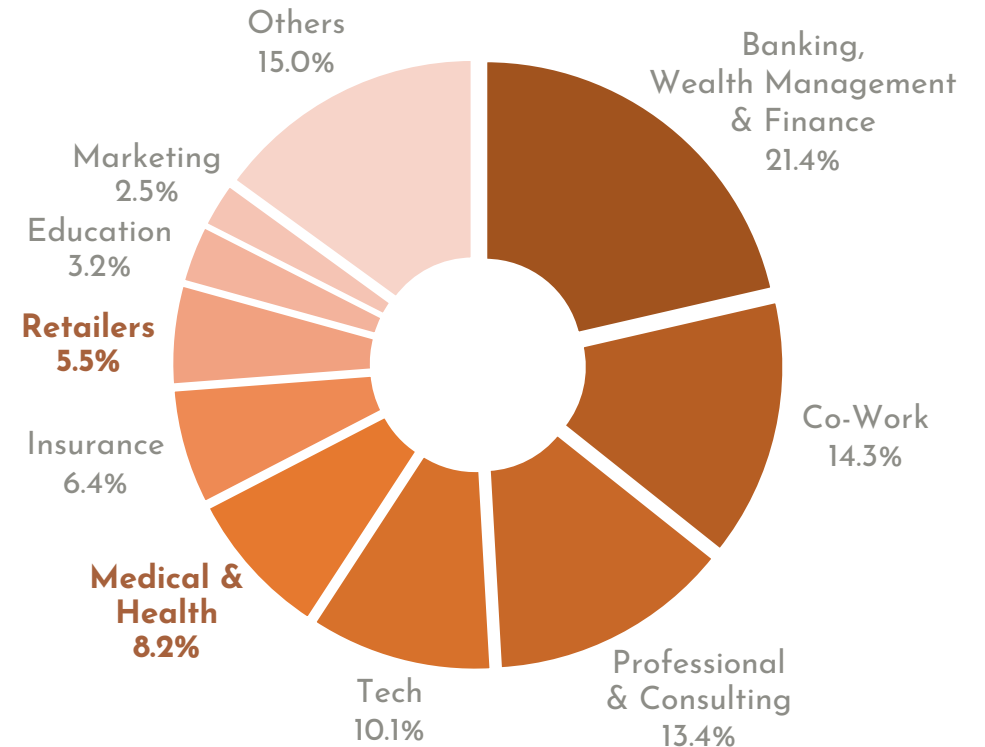
The office and residential sectors were still under pressure. Our dual-engine office and retail portfolio provides resilience and strength in the face of uncertainty

Office

OCCUPANCY | **89%**

- With a slower-than-expected economic recovery, Hong Kong's office market remained weak
- Landlords defended occupancy with more flexible lease terms and enhanced rental incentives as increased supply came to market
- Lee Gardens' unique environment, convenience and strong retail connections appeal to sectors like high-end retail and medical and healthcare services

Office Tenant Profile by Area (2023 Year-end)



Retail

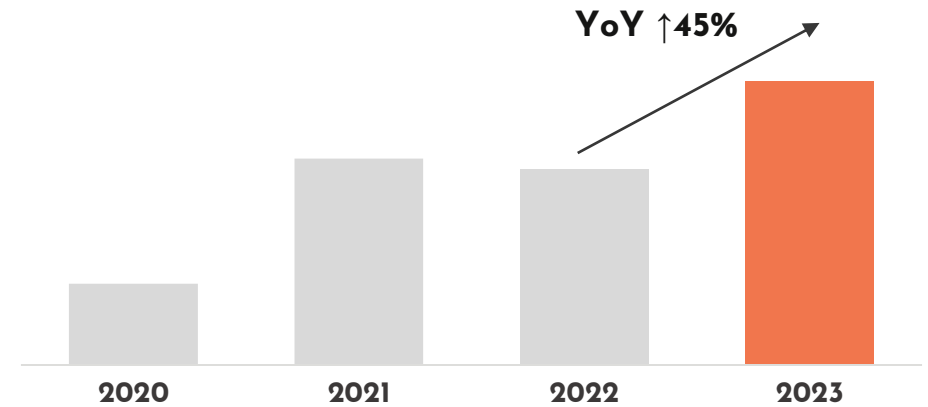
OCCUPANCY | **97%**

➤ Recovery was impeded by a challenging external environment and a strong Hong Kong dollar

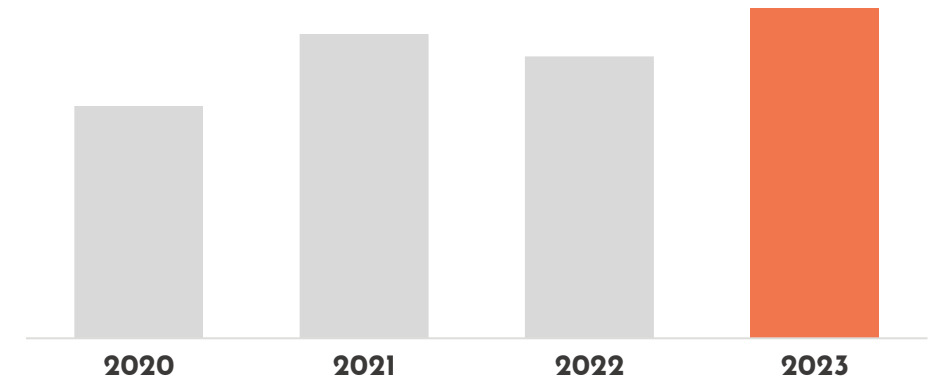
➤ Retail sector is undergoing a transformation
➤ The focus of tourists has shifted from shopping to experience-based tourism

➤ Curate content for Lee Gardens Community to cater the needs of different customers

Turnover Rent Trend (2020 - 2023)



Hysan Tenant Sales Trend (2020 - 2023)



Connect people and Curate Communities through diverse offerings



Home of Luxury Flagships



LEE GARDEN ONE

- ≡ The arcade was unveiled in late 2023
- ≡ Renovations of key luxury anchor tenants' flagship stores will be completed in stages by 2024 and 2025

LEE GARDEN FIVE

- ≡ Entrance and office lobby refurbishment completed in mid-2023





HYSAN PLACE

#URBANHOOD

- ≡ Unveiled a brand-new lifestyle hub on the basement floors in late 2023
- ≡ Nearly 40 lifestyle, entertainment and F&B brands from various Asian cities, including some making their debut in Hong Kong
- ≡ Offers an engaging experience that caters to all generations



and more...

Marketing Initiatives and Loyalty Programmes

Member Retention
Resumed to pre-pandemic retention levels and increased CA sales

Unveiling of #UrbanPark and Playdot
Skateboarding events at #UrbanPark and family fun at Playdot enhanced retail experience and appeal

Festive Boost for Tenants
Seasonal décor and promotions increased footfall and tenant sales

Online/Offline channels
Iconic Power Up campaign and collaboration with partners continued to gain traction



Core Expansion and Pillar Updates



CAROLINE HILL ROAD

Construction works are on track; Progressing as scheduled



LEE GARDENS SHANGHAI

The enhancement work of the office tower was completed in 2023, with 30% occupancy



VILLA LUCCA

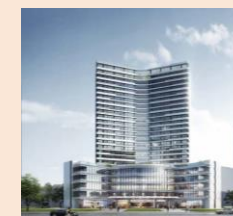
1/4 of houses and apartments were sold or leased during the year

GBA FLEX



Solution in new office ecosystem, showing good performance

NEW FRONTIER



Demand for premium healthcare services is rising



Sustainability

Sustainability Performance (as at 31/1/2024)

Benchmarking & Rating



GRESB
★★★★☆ 2023

Remained 4-star



Hang Seng Corporate
Sustainability Index
Series Member 2022-2023

Remained AA



Remained A



Remained as Low Risk
2024 ESG Top-Rated
Companies List



FTSE4Good

Improved to 3.5 / 5

Awards and Accolades



**HKMA Hong Kong
Sustainability Award
Organisation award winner
(Large Organisations
Category)**

Distinction Award



**HKIE The Excellent Building
Award 2023
Existing Building**

Grand Award - Revitalization
project for Hysan Office
Headquarter at Lee Garden One



**HKICPA Best Corporate
Governance and ESG Awards
2023**

Corporate Governance Awards
(Non-Hang Seng Index Medium
Market Capitalization Category)



**HKIRA 9th Investor Relations
Awards 2023**

- Best IR Company
- Best Investor Presentation Material
- Best Annual Report
- Best ESG(S), and
- Best ESG(G)



**HKGBC Zero-Carbon Ready
Building Certification Scheme
(ZCRB)**

Both Hysan Place and Lee
Garden One obtained the "Low"
ratings via the Existing Building -
EUI pathway

Environment Performance (as at 31/1/2024)



↓ 38%

Carbon intensity
(scope of 1 and 2)
from baseline



↓ 21%

Reduction in purchased
electricity intensity
from baseline



over 2.7 mn sq. ft.

by GFA is
green building certified



Committed

Science Based Target
Initiative (SBTi)

Promotes Green Mobility at Lee Gardens

Leveraging the Community Business Model, Hysan promotes green mobility in the Lee Gardens community

The Largest EV Charging Hub on Hong Kong Island

- ≡ 160+ EV chargers now available in Lee Gardens
- ≡ Accelerating our green mobility journey by encouraging more drivers to switch to EVs



Enhancing Connectivity and Accessibility

- ≡ A weather-proof pedestrian link system connecting the Lee Gardens in future





Financial Management

Chief Financial Officer
Mr. Roger Hao

Financial & Capital Management

Shareholders'
Fund

HK\$ 67.2b

NAV
per share

HK\$ 65.4

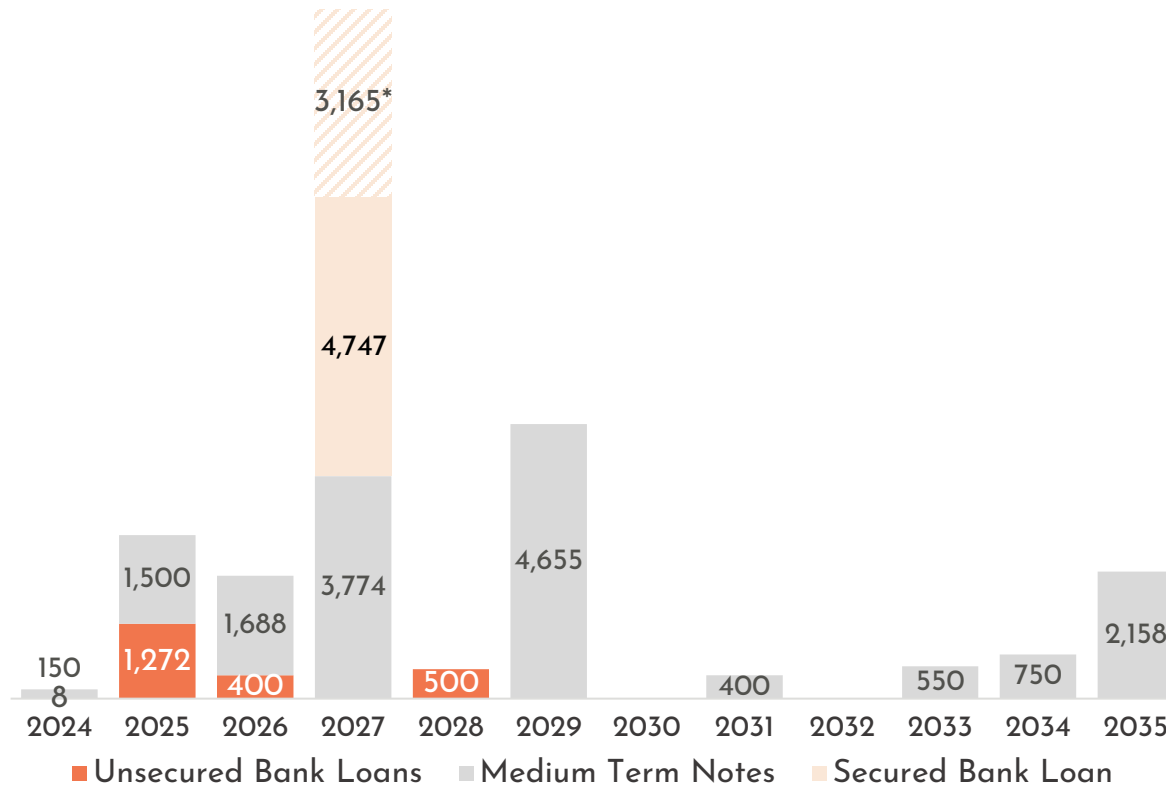
DPS

HK\$ 1.08

Financial & Capital Management

Debt Maturity Profile as at 31 Dec 2023

(HK\$ m)



*40% of the secured bank loan is attributable to the minority interest in the CHR project.

Key Financial Metrics

Net Gearing*

27.2%

Effective Interest Rate

4.2%

Fixed Rate Debt Ratio

62%

Average Debt Maturity

4.5 years

Undrawn Committed Facilities

HK\$ 11.4b

Sustainable Finance

49%
of total indebtedness

*Net gearing is defined as borrowings less time deposits, cash and cash equivalents divided by total equity.



THANK YOU