



## 2019 Annual Results

24 March 2020

# Delivering Value with Distinctive Quality

嘉華集團成員 A member of K. Wah Group



# Disclaimer

*Some information contained in this presentation has been obtained from public sources that are believed to be reliable but has not been independently verified. There is no guarantee, representation or warranty provided for the accuracy or completeness for the information contained in this presentation. All copyrights of the contents herein are reserved. No part of materials in this presentation may be reproduced without the prior permission of K.Wah International Holdings Limited. No liability for any loss or damage will be accepted howsoever arising from the use of the information contained in this presentation or in reliance upon the contents of this presentation or for any inaccuracies, omissions, mis-statements or errors of the information contained in this presentation.*

*Some information, drawings (including design concept drawings) and/or photos in this presentation are in relation to developments or development projects of residential properties of K. Wah International Holdings Limited ("KWIH") in Hong Kong. For some of such developments or projects, permission for promotional activities and/or pre-sale consent is/are not yet applied for and/or issued and the time of issue of such permissions and pre-sale consents are not certain. All time schedule of sales launch set out herein are of the tentative sale schemes and are for reference only. KWIH and the respective vendors do not represent or warrant the time of issue of such permissions and/or consents. Such information, drawings and/or photos are provided herein for the sole purpose of corporate presentation of the financial results of KWIH and is not and does not form part of any advertisement purporting to promote the sale of any residential property, and do not constitute and shall not be construed as constituting any offer, representation, warranty, covenant or contractual term whether expressed or implied (whether related to view or surrounding environment or not). Please refer to the sales brochures for details of the respective developments. No publishing, reproducing or transfer of this presentation, such information, drawings and/or photos herein to any third party is allowed without the prior written consent of KWIH and the respective vendors. KWIH and the respective vendors do not represent or warrant the completeness, correctness or accuracy of such information, drawings and photos and do not represent or warrant that they are updated. KWIH and the respective vendors shall not be liable for any omission, misstatement or misrepresentation or any loss or damage sustained by any person arising from the use or reliance of such information, drawings and/or photos for his/her decision on purchase of any property or otherwise.*

*All photos, images, drawings or sketches in this presentation represent artists' impressions of the respective developments or the part of the respective developments concerned only. They are not drawn to scale and/or may have been edited and processed with computerized imaging techniques. In respect of any design concept drawings of the respective residential developments in this presentation, they are products of computer renderings. Pipes, conduits, air-conditioners, grilles etc. which might exist on the external walls, flat roofs or roofs, etc. of the respective developments, and the surrounding environment and buildings of the respective developments have been omitted. The respective renderings do not simulate or reflect the actual appearance and the surrounding environment of the respective developments. The respective design concept drawings do not simulate or reflect the view from any part of the respective developments and the present or future condition of the surrounding environment and buildings of the respective developments. The layout, partition, specifications, dimensions, colour, materials, fittings, finishes, appliances, equipment, furniture, household accessories, display, decorations, signs, clubhouse facilities, sculptures, models, artwork, plant, trees, landscape design, lighting features and lightings, etc. shown in the respective design concept drawings might be different from those, if any, to be actually provided in the respective developments and that they might not appear in the part of the developments concerned. The respective vendors reserve the right to alter, increase and reduce the above items and clubhouse and recreational facilities, which are subject to the agreements for sale and purchase. The respective vendors reserve the right to alter the building plans and other plans from time to time, which are subject to the final approvals of the relevant Government authorities. The provision of clubhouses and recreational facilities are subject to the terms and conditions of the agreements of sale and purchase and the final approvals of the relevant Government authorities. The opening time and use of different clubhouses and recreational facilities are subject to the relevant laws, land grant conditions, terms of the deeds of mutual covenant and the actual conditions of the facilities. The use and operations of some parts of the facilities and/or services may be subject to the consents or permits to be issued by the relevant Government authorities. The respective vendors reserve the right to amend the use of the facilities and/or services which are shown or not shown or specified in the design concept drawings. Such facilities (including clubhouse and ancillary recreational facilities, etc.) may not be in operation when the respective developments can be occupied. The respective vendors reserve the rights to alter the clubhouse facilities and the partition, design, layout and use thereof. Fees may be separately charged on the use of the clubhouse(s) and different recreational facilities.*

# Table of Contents

---

## Results highlights

- Financial highlights
- Review of property development
- Review of property investment

## Strategy and Outlook

## Appendix

- Projects summary



*Solaria, Hong Kong*



*The Palace III, Shanghai*

## Results highlights

# Financial Highlights

(HK\$ million)	<i>For the year ended 31 Dec</i>		<b>Change</b>
	<b>2019</b>	<b>2018</b>	
<b>Revenue</b>	<b>10,652</b>	10,760	-1%
<b>Attributable Revenue*</b>	<b>11,714</b>	10,918	+7%
<b>Profit Attributable to Equity Holders</b>	<b>3,150</b>	4,046	-22%
<b>Underlying Profit</b>	<b>3,156</b>	3,005	+5%
<b>Basic EPS (HK cents)</b>	<b>100.79</b>	129.51	-22%
<b>Dividend / share (HK cents)</b>	20	20	-
Final dividend / share (HK cents)	14	14	
Interim dividend / share (HK cents)	6	6	

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

# Solid Financial Position

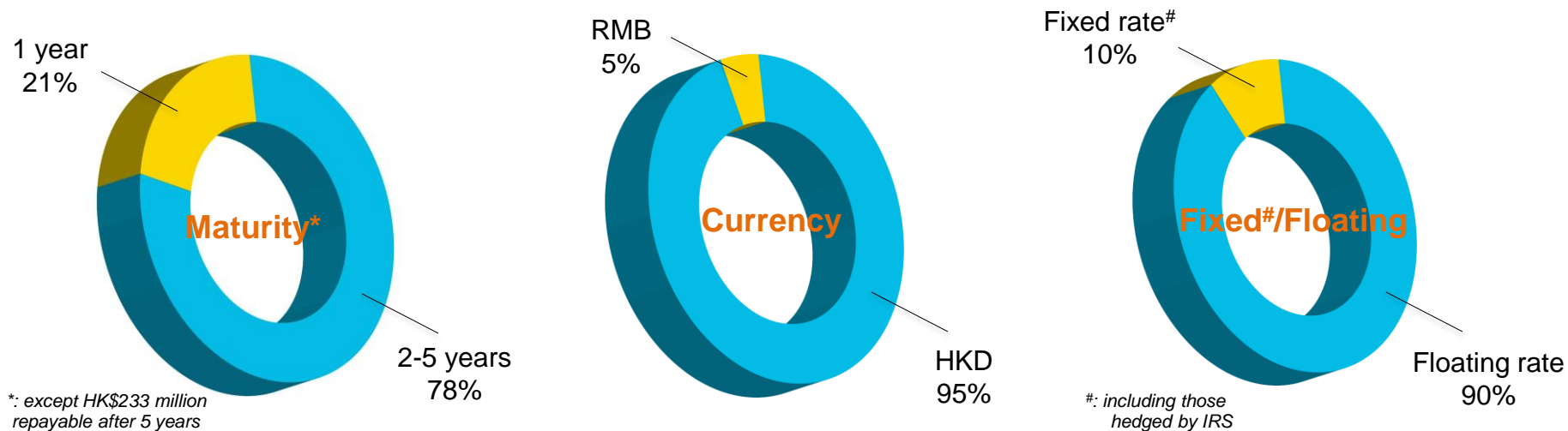
(HK\$ million)	As at 31 Dec 2019	As at 31 Dec 2018
<b>Total Assets</b>	<b>74,559</b>	69,894
<b>Cash and Cash Equivalents<sup>(1)</sup></b>	<b>5,443</b>	7,489
<b>Total Debts</b>	<b>20,441</b>	18,711
<b>Shareholders' Funds</b>	<b>38,886</b>	35,640
<b>NAV per Share (HK\$)</b>	<b>12.4</b>	11.4
<b>Gearing Ratio<sup>(2)</sup></b>	<b>37%</b>	30%
<b>EBITDA / Interest<sup>(3)</sup></b>	<b>11x</b>	10x

*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

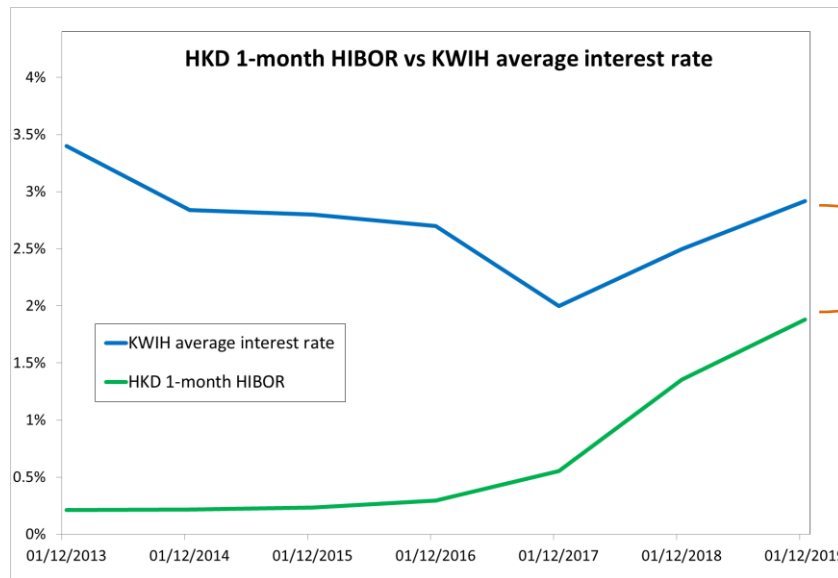
- Total debts as at 31 Dec 2019: HK\$20 billion (Net debts: HK\$15 billion)



- A 4-year revolving credit and term loan facility of HK\$4 billion closed in Mar 2020 for refinancing, at lower cost, while extending the debt maturity profile, thus enhancing the financing flexibility, and funding capability

# Discipline in Financial Management

- Managed to maintain the average interest rate at 2.9% in 2019 (2.5% in 2018) on rising HIBOR



Spread between our average interest rate over HIBOR managed to be narrowed over years, saving interest cost

- In Jul 2019, Interest Rate Swap contracts for HK\$1 billion were arranged for managing interest rate risk
- In Jan and Feb 2020, Interest Rate Swap contracts for HK\$1.3 billion executed to manage interest rate risk further



# Quality Projects Engender Strong Performance

- Attributable revenue\* from sales of properties amounted to HK\$11 billion in 2019, mainly from the below projects:

Hong Kong



K. City  
嘉匯

Shanghai



The Palace III  
嘉御庭三期

Shanghai



Windermere  
嘉濤灣

Nanjing

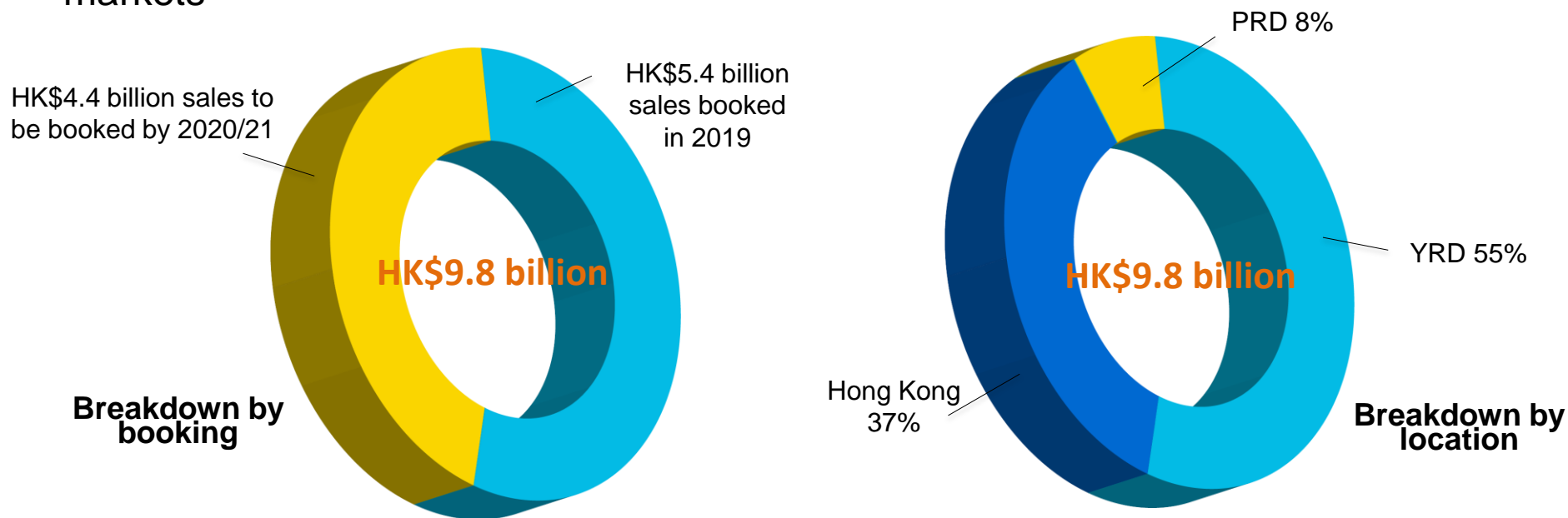


The Peak  
嘉譽山

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

# Foreseeable Results Provide Sustainability

- Achieved HK\$9.8 billion attributable contracted sales\* in 2019 despite the volatile markets



- As at December 2019, attributable contracted sales\* yet to be booked amounted to HK\$10.8 billion, paving the solid foundation for the future profitability

\* Attributable contracted sales comprises the contracted sales of the Group and from joint ventures as well as associated companies

# Recurring Income from Diversified Investment Portfolio

- Rental income, including hotel receipts, up 7% to HK\$695 million in 2019
- Diversified portfolio: office, commercial, serviced apartments and hotel with total attributable GFA ~280,000 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 apartments



## Commercial



J SENSES, Hong Kong  
香港 J SENSES

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

## Hotel



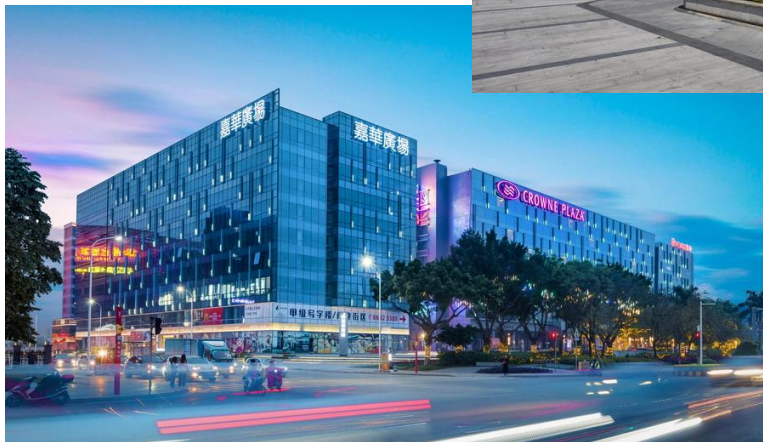
# Recurring Income from Diversified Investment Portfolio

- Palace Lane in Shanghai and Cove Gala in Dongguan, fully operational in 2H 2018 achieved satisfactory occupancy in 2019
- K. Wah Plaza, a comprehensive development in Guangzhou, completed in late 2018. An office tower and the commercial portions soft opened in 1H 2019 and contributing



Cove Gala  
星際匯

K. Wah Plaza  
嘉華廣場



Palace Lane  
嘉御里



*The Palace, Shanghai*



*K.Summit, Hong Kong*

## Strategy and Outlook

# Premium Assets in Prime Cities

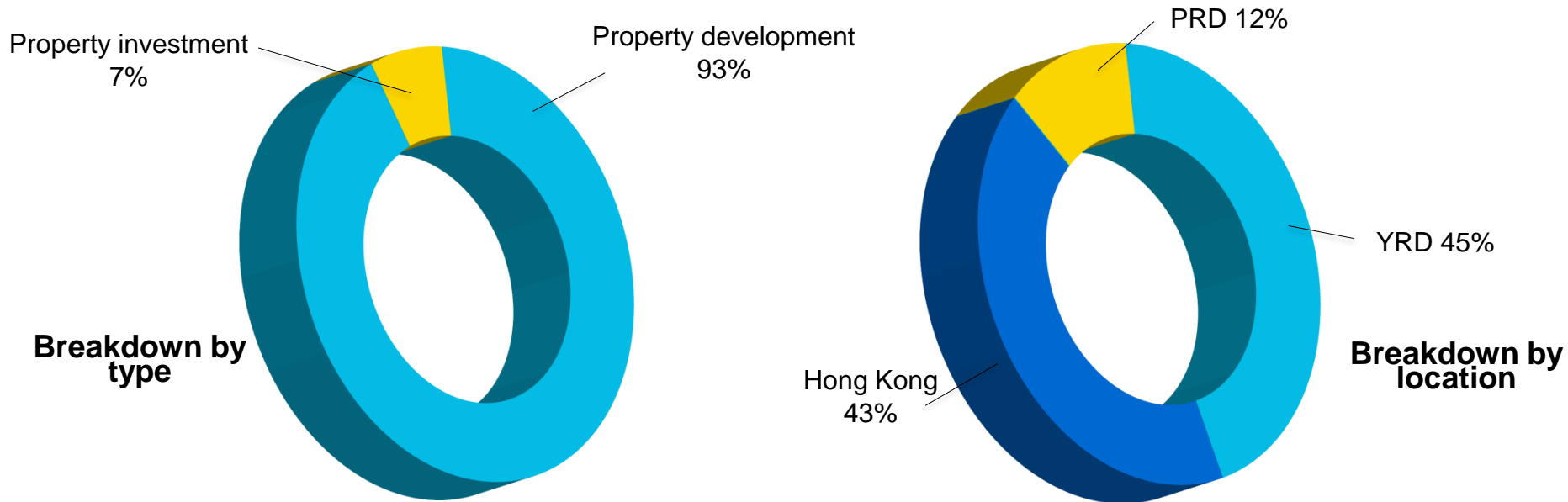
- Continue to focus on Hong Kong and prime cities in the Pearl River Delta and Yangtze River Delta regions



● New projects obtained in 2019

# Replenishment of Landbank by Diversified Channels

- Replenished landbank in Hong Kong, Shanghai, Suzhou and Jiangmen in a disciplined manner, adding attributable GFA 183,000 sqm
  - ▣ 2 projects - 100% owned
  - ▣ 4 projects - via joint ventures



- Continued to look at various means for landbank replenishment at reasonable cost for sustainable development

# More Diversified Channels in Land Acquisition

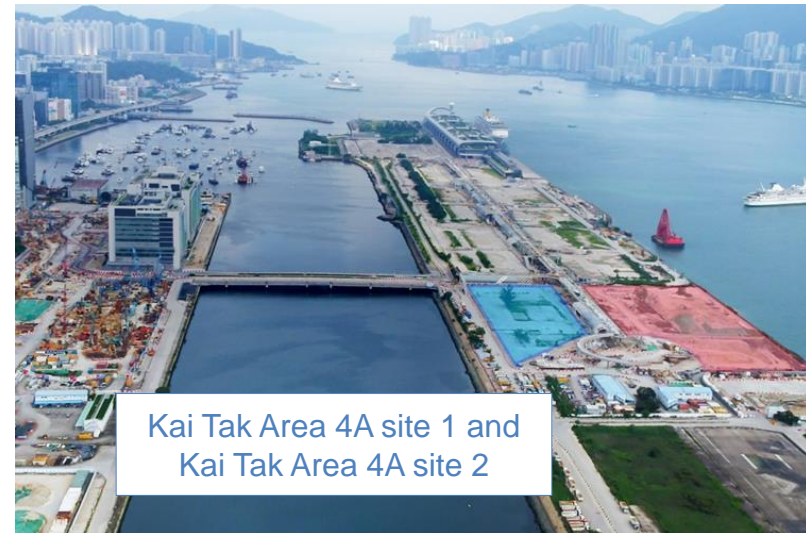
## ➤ Hong Kong:

- In Apr 2019, awarded the tender of a MTRC project – LOHAS Park Station (phase 11)



LOHAS Park Station  
(phase 11)

- In Jul and Nov 2019, awarded the tenders of Kai Tak Area 4A site 1 and site 2 respectively



Kai Tak Area 4A site 1 and  
Kai Tak Area 4A site 2



# More Diversified Channels in Land Acquisition

## ➤ Suzhou:

- In Sep 2019, acquired a land parcel next to high-speed train station



Lot 58, National Hi-Tech District

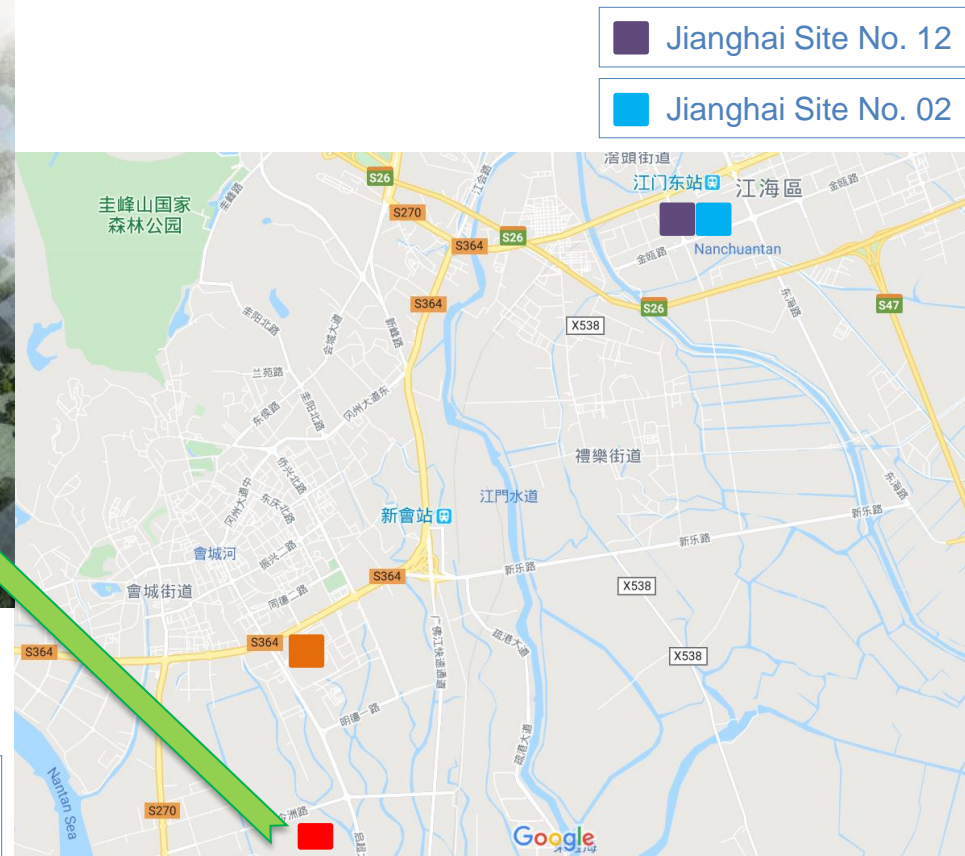
Lot 42, National Hi-Tech District

# More Diversified Channels in Land Acquisition

## ➤ Jiangmen:

- Acquired partial interest in a new project in Sep 2019

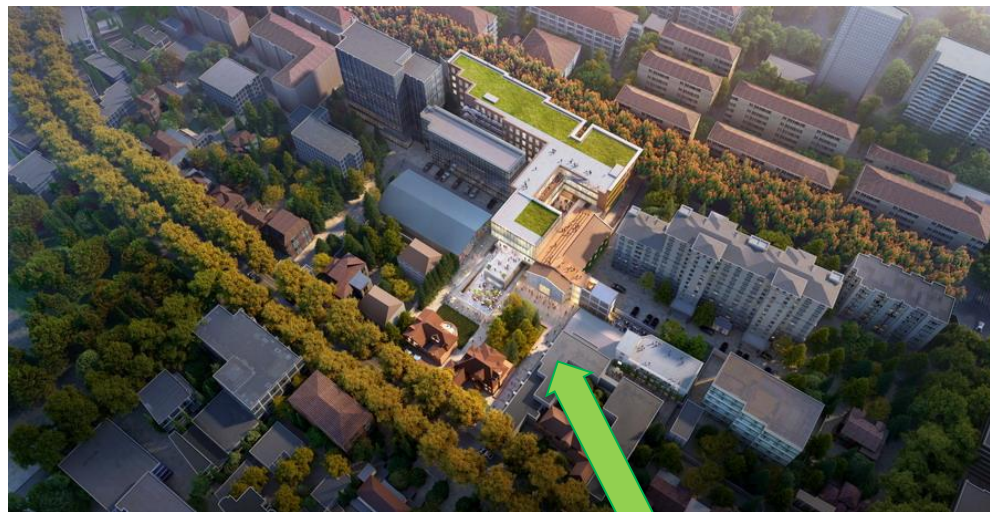
▣ Site JCR2018-127(Xinhui 17), Xinhui District (新會區JCR2018-127(新會17))



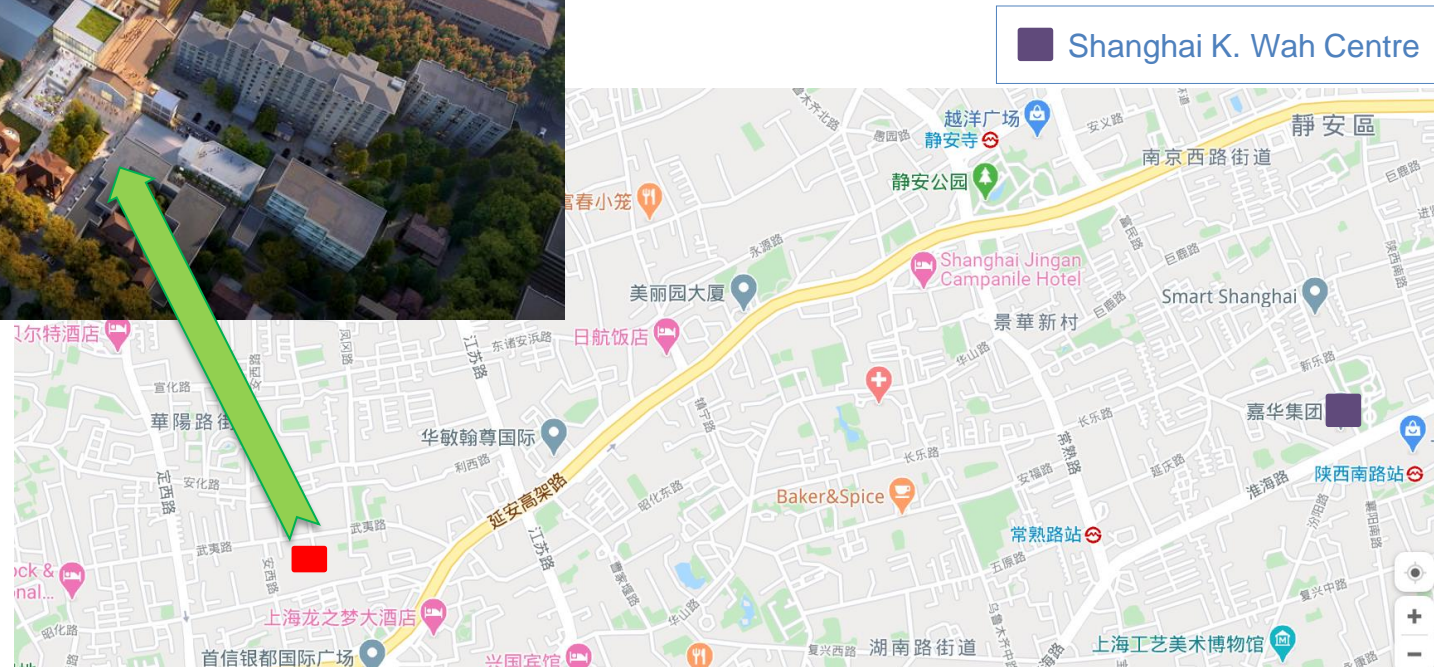
# More Diversified Channels in Land Acquisition

## ➤ Shanghai:

- A commercial site at Wuyi Road, Changning District, Shanghai with a GFA of 12,500 sqm was acquired in Jul 2019



**Shanghai**  
Wuyi Road project,  
Changning District



# Visible Pipeline in Hong Kong and Mainland China

- First batch of units of K.Summit launched for sale in Dec 2019



K.Summit

Grampian Road



Kai Tak Area 4A site 2

Kai Tak Area 4A site 1

- More new projects ready to be launched in 2020

Location	Project	Attri. GFA (sqm)	Units
Hong Kong	Grampian Road	2,000	5
	New Kowloon Inland Lot No. 6549, Cheung Sha Wan, Kowloon (Application for pre-sale consent for Phase I in progress)	20,600	1,272

# Visible Pipeline in Hong Kong and Mainland China

- New projects to be launched in 2020

Location	Project		Attri. GFA (sqm)	Units
Jiangmen	J City (嘉華新都滙)	Jianghai Site No. 02	133,700	1,066
		Jianghai Site No. 12	144,900	1,172
	Jiajun Garden (嘉駿花園)	Site No. 03, Xinhui District (launched in Jan)	50,000	962



**Jiangmen**  
Jianghai Site No. 02,  
Jianghai District

**Jiangmen**  
Jianghai Site No. 12,  
Jianghai District



# Visible Pipeline in Hong Kong and Mainland China

- New projects ready to be launched in 2020

Location	Project	Attri. GFA (sqm)	Units
Suzhou	Lot 42, National Hi-Tech District	59,000	514
Dongguan	Hengjiang Village project, Chashan	159,000	1,196



**Suzhou**  
Lot 42, National Hi-Tech District

**Dongguan**  
Hengjiang Village project,  
Chashan



# Visible Pipeline in Hong Kong and Mainland China

- Continued sales momentum of the launched projects in Hong Kong and Mainland China such as
  - Hong Kong: K.Summit, Solaria, K. City
  - Shanghai: The Palace III, Windermere
  - Dongguan: Silver Cove
- Plus Mainland China projects under joint ventures (in Suzhou, Kunshan, Jiaxing & Jiangmen)
- More projects in the pipeline



**Hong Kong**  
Kam Sheung Road  
project

# Sustainable Pipeline in Hong Kong and Mainland China

- More projects in the pipeline



**Guangzhou**  
Xinhuaazhen West Site,  
Huadu District



**Nanjing**  
Site G89,  
Jiangning District

**Shanghai**  
Weifang Village Street  
project, Pudong District





# Building up Investment Portfolio

- Expanding the portfolio with various types of property:
  - The office building, EDGE, at Suzhou Creek, Jingan District, Shanghai, was completed in December 2019
  - A featured commercial/office complex will be built on the commercial site at Wuyi Road, Changning District, Shanghai
- Commercial portions in various development projects to be added to our portfolio upon completion in the coming years, enabling a well-balanced diversified portfolio to enhance the recurring income



Shanghai  
EDGE

# Solid Foundation for Long-term Sustainability

1

Encouraging sales underpins results ahead

2

High visibility of project pipeline with enhanced asset turn

3

Expansion in recurring income portfolio to generate stable income and cash inflow

4

Quality projects in Hong Kong and prime cities of the Yangtze River Delta and Pearl River Delta regions

6

Solid financial position fuels future growth

5

Disciplined land replenishment at opportune time to drive long-term sustainability

**RW** 嘉華國際  
K. WAH INTERNATIONAL  
香港股份代號 Hong Kong Stock Code 0173



*Windermere, Shanghai*

## Appendix: Projects Summary

# Major Projects in Hong Kong



*Development projects*

1	Marinella 深灣9號	8	Kam Sheung Road Station Project (ph 1) 錦上路站項目 (一期)
2	The Spectra 朗屏8號	9	New Kowloon Inland Lot No. 6549, Cheung Sha Wan 長沙灣新九龍內地地段第6549號
3	K.City 嘉匯	10	LOHAS Park Station Project (package 11) 康城站項目(十一期)
4	Solaria 嘉熙	11	New Kowloon Inland Lot No. 6577 新九龍內地地段第6577號
5	K.Summit 嘉峯匯	12	New Kowloon Inland Lot No. 6554 新九龍內地地段第6554號
6	2 Grampian Road 嘉林邊道2號		
7	30 Po Shan Road 寶珊道30號		

# Development Projects in Hong Kong

KWIH's Property Portfolio	Year of first sales launch			GFA# (sqm) (approx.)	% Sold as of Dec 2019	Group's Interest	Target completion
	2019 or before	2020	2021 or beyond				
Marinella 深灣9號	✓			69,300	~ 99%	35%	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	~ 80%	100%	Completed (Feb 2020)
K. Summit 嘉峯匯	✓			53,000	~ 15%	100%	2021
2 Grampian Road 嘉林邊道2號 <b>NEW</b>		✓		2,000	-	100%	2020
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 $\frac{1}{3}$ %	2023
New Kowloon Inland Lot No. 6549, Cheung Sha Wan, Kowloon <b>NEW</b> 九龍長沙灣新九龍內地段第6549號		✓		91,800	-	22.5%	2022
LOHAS Park Station Project (package 11) 康城站項目(十一期)			✓	88,800	-	30%	2025
New Kowloon Inland Lot No. 6577 at Kai Tak Area 4A Site 1, Kai Tak, Kowloon 新九龍內地段第6577號(九龍啟德第4A區1號地盤)			✓	99,900	-	40%	TBC
New Kowloon Inland Lot No. 6554 at Kai Tak Area 4A Site 2, Kai Tak, Kowloon 新九龍內地段第6554號(九龍啟德第4A區2號地盤)			✓	111,900	-	10%	TBC

# 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
- 2 The Palace, Xuhui District, Shanghai  
上海徐匯區嘉御庭
- 3 Windermere, Qingpu District, Shanghai  
上海青浦區嘉濤灣
- 4 Azure, Pudong District, Shanghai  
上海浦東區嘉瀧匯
- 5 Weifang Village Street project, Pudong District, Shanghai  
上海浦東區維坊新村街道項目
- 6 Wuyi Road project, Changning District, Shanghai  
上海長寧區武夷路項目

- 7 The Peak, Qixia District, Nanjing  
南京棲霞區嘉譽山
- 8 Royal Creek, Pukou District, Nanjing  
南京浦口區御瀾府
- 9 Site G89 in Jiangning District, Nanjing  
南京江寧區G89地塊
- 10 Lot 42, National Hi-Tech District, Suzhou  
蘇州高新區42地塊
- 11 Lot 58, National Hi-Tech District, Suzhou  
蘇州高新區58地塊
- 12 Lot 2019-WG-29, Gaotieincheng, Xiangcheng District, Suzhou  
蘇州相城區高鐵新城2019-WG-29地塊

- 13 Lot 12-2, Kunshan Economic & Technological Development Zone  
崑山經濟技術開發區12-2地塊
- 14 Site No. 44, Xiuzhou Hi-Tech District, Jiaxing  
嘉興秀洲國家高新區44號地塊



# Development Projects in Yangtze River Delta region

KWIH's Property Portfolio		Year of first sales launch			GFA (sqm) (approx.)	% Sold as of Dec 2019	Group's Interest	Target completion
		2019 or before	2020	2021 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	~ 99%	100%	Completed
	Phase II	✓			Ph II: 30,000	> 90%		
	Phase III	✓			Ph III: 43,000	~ 65%		
Windermere, Qingpu District, Shanghai 上海青浦區嘉濤灣		✓			71,000	~ 30%	100%	Completed
Azure, Pudong District, Shanghai 上海浦東區嘉瀧匯				✓	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	~ 99%	100%	Completed
Royal Creek, Pukou District, Nanjing 南京浦口區御瀾府		✓			98,500	~ 99%	33%	Completed
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				<b>NEW</b> ✓	59,000	-	100%	2021
Lot 58, National Hi-Tech District, Suzhou 蘇州高新區58地塊		✓			75,000	~ 50%	47%	2020
Lot 2019-WG-29, Gaotixincheng, Xiangcheng District, Suzhou 蘇州相城區高鐵新城2019-WG-29地塊				✓	70,400	-	100%	2022
Lot 12-2, Kunshan Economic & Technological Development Zone 崑山經濟技術開發區12-2地塊		✓			66,000	~ 90%	16.66%	2020
Site No. 44, Xiuzhou Hi-Tech District, Jiaxing 嘉興秀洲國家高新區44號地塊		✓			130,000	~ 90%	17%	2021

# 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	Silver Cove, Shilong Town, Dongguan 東莞石龍鎮星際灣
4	Hengjiang Village project, Chashan Town, Dongguan 東莞茶山鎮橫江村項目
5	Jianghai Site No. 02, Jianghai District, Jiangmen 江門江海區江海02地塊
6	Jianghai Site No. 12, Jianghai District, Jiangmen 江門江海區江海12地塊
7	Site No. 03, Xinhui District, Jiangmen 江門新會區03地塊
8	Site JCR2018-127(Xinhui17), Xinhui District, Jiangmen 江門新會區JCR2018-127 (新會17)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 2019	Group's Interest	Target completion
		2019 or before	2020	2021 or beyond				
<b>Integrated Project, Huadu District, Guagnzhou</b> 廣州花都大型綜合項目								
<b>J Metropolis, Xinhuzhen East Site</b> 嘉匯城, 新華鎮東地塊	Phase I, II, III & IV	✓			226,000	~ 99%	99%	Ph I - IV: Completed
<b>Xinhuzhen West Site</b> 新華鎮西地塊	Phase I Others			✓ ✓	Ph I: 187,000 Others: 392,000	- -		2022 TBC
<b>J Wings, Huadu, Guangzhou</b> 廣州花都嘉都匯		✓			100,000	~ 99%	100%	Completed
<b>K. Wah Plaza, Huadu, Guangzhou (Apartments)</b> 廣州花都嘉華廣場(公寓)		✓			34,000	~ 75%	100%	Completed
<b>Silver Cove, Shilong Town, Dongguan</b> 東莞石龍鎮星際灣	Phase I, II & III	✓			224,400	~ 95%	100%	Completed
<b>Hengjiang Village project, Chashan Town, Dongguan</b> 東莞茶山鎮橫江村項目				✓	159,000	-	100%	2021
<b>Jianghai Site No. 02, Jianghai District, Jiangmen</b> 江門江海區江海02地塊				✓	133,700	-	100%	2021
<b>Jianghai Site No. 12, Jianghai District, Jiangmen</b> 江門江海區江海12地塊				✓	144,900	-	100%	2021
<b>Site No. 03, Xinhui District, Jiangmen</b> 江門新會區03地塊				✓	100,000	-	50%	2021
<b>Site JCR2018-127(Xinhui 17), Xinhui District, Jiangmen</b> 江門新會區JCR2018-127(新會17)地塊				✓	74,100	-	30%	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
	EDGE, Jingan District, Shanghai 上海靜安區盈凱文創廣場	Office	20,000	53.61%	Completed
	Wuyi Road project, Changning District, Shanghai 上海長寧區武夷路項目	Office & Commercial	12,500	100%	2021
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	Office & Commercial	38,000	100%	Completed
	Cove Gala, Dongguan 東莞星際匯	Commercial	11,600	100%	Completed

---

---

**Thank You!**