



## 2014 Interim Results

25 August 2014

創臻善  
An Unwavering  
Commitment to  
and Innovation 拓恆遠  
*Quality*

嘉華集團成員 A member of K. Wah Group

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Grand Summit, Shanghai

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*The Palace, Shanghai*

## 1. Financial Highlights

# Commitment to Stable Dividend Distribution

(HK\$ million)	<i>For the six months ended 30 Jun</i>	
	<b>2014</b>	<b>2013</b>
<b>Revenue</b>	<b>750</b>	3,305
<b>Attributable Revenue*</b>	<b>957</b>	3,627
<b>Gross Profit</b>	<b>374</b>	1,981
<b>Profit Attributable to Equity Holders</b>	<b>214</b>	888
<b>Basic EPS (HK cents)</b>	<b>7.9</b>	33.6
<b>Interim Dividend (HK cents)</b>	<b>5</b>	5

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

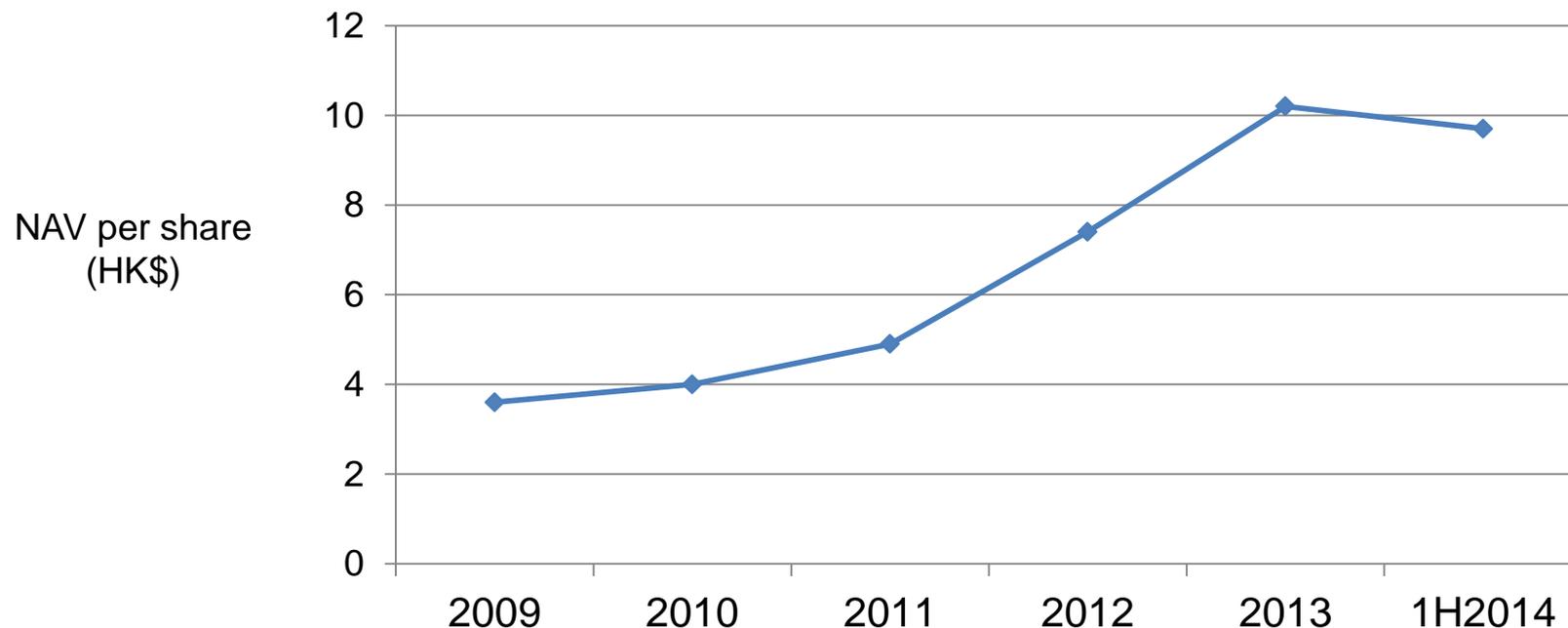
# Solid Financial Position with Satisfactory Gearing Ratio

(HK\$ million)	As at 30 Jun 2014	As at 31 Dec 2013
<b>Total Assets</b>	<b>47,497</b>	44,650
<b>Cash and Cash Equivalents<sup>(1)</sup></b>	<b>4,790</b>	5,624
<b>Total Debts</b>	<b>14,850</b>	9,598
<b>Shareholders' Funds</b>	<b>26,458</b>	27,619
<b>NAV per Share (HK\$)</b>	<b>9.7</b>	10.2
<b>Gearing Ratio<sup>(2)</sup></b>	<b>36%</b>	14%

*Remarks:*

- 1) Includes bank balances as well as short-term and structured bank deposits
- 2) Gearing ratio = net debt / total equity

# Creating Value for Shareholders: NAV per Share More Than Doubled from 2009



- NAV per share CAGR growth of 25% from 2009 to 1H2014
- KWIH will be included as a constituent stock in the **Hang Seng Composite MidCap Index** effective 8 Sep 2014, making it an eligible stock in the Shanghai-Hong Kong Stock Connect scheme

# Successful Financing with Low Interest Rate and Longer Maturity

- Concluded a 5-year and 4-year syndicated loan totalling HK\$3,980 million in March 2014
- Issued HK\$450 million 7-year Fixed Rate Notes under MTN programme through private placements in March 2014, extending the maturity of debt profile into the 7-year space
- Issued HK\$400 million 7-year Fixed Rate Notes in July 2014



*Marinella, Hong Kong*



*Mayfair by the Sea I, Hong Kong*

## 2. Key Contributors in 1H 2014

# Quality Projects with Satisfactory Sales

Attributable revenue in 1H2014\* : HK\$957 million

## Contributing Projects

HK Marinella  
香港深灣9號



SH The Palace  
上海嘉御庭



SH Upstream Park  
上海嘉怡水岸



GZ J Metropolis  
廣州嘉滙城



GZ Le Palais  
廣州嘉爵園



JM The Summit  
江門嘉峰滙



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

# Stable Recurring Income

Generating total attributable revenue of HK\$198 million in 1H2014

Shanghai K. Wah Centre



Grade A office building strategically located in Xuhui District, a central business district of Shanghai, with 72,000 sqm of GFA

J SENSES\*, Hong Kong



An exquisite and exotic dining and entertainment arcade rehabilitated from a century-old heritage in Wanchai, Hong Kong, with 3,400 sqm of GFA

*\* J SENSES is the commercial accommodation of J Residence*

Huadu Jiahua Plaza



An integrated development in Huadu, Guangzhou, with phase 1 comprising a 299-room five-star Crowne Plaza Guangzhou Huadu and an office building of 12,000 sqm

- Acquired the remaining interest in J SENSES in March 2014
- Commenced marketing preparation for 29,000 sqm serviced apartments in Grand Summit



*Silver Cove, Dongguan*

### **3. Disciplined Land Bank Replenishment with Expanding Portfolio**

# Acquired 9 Plots in Hong Kong & Mainland China in the Past Two Years

Period	Site	Land Area (sqm)	Total GFA (sqm)	Land Premium	Group's Interest
1H 2014	<b>Hong Kong</b>				
	Kai Tak Area 1I Site 2, Kowloon	9,313	51,000	HK\$2,939 million (HK\$5,330 per sqft)	100%
	<b>Pearl River Delta</b>				
	Silver Cove, Shilong Town, Dongguan (Lot 2014WG003)	13,686	34,210	RMB115 million (RMB3,360 per sqm)	99%
2013	<b>Yangtze River Delta</b>				
	Site 7-7, Unit E18, Weifang Village Street, Pudong District, Shanghai	5,665	14,200	RMB568 million (RMB40,106 per sqm)	100%
	Site G68, Maigao Qiao, Qixia District, Nanjing	58,776	142,800	RMB1,740 million (RMB12,185 per sqm)	100%
2012	<b>Hong Kong</b>				
	Tseung Kwan O Town Lot No. 115	5,026	28,000	HK\$1,170 million (HK\$3,929 per sqft)	100%
	Tseung Kwan O Town Lot No. 117	12,915	45,000	HK\$2,285 million (HK\$4,696 per sqft)	40%
	Yuen Long Town Lot No. 513	9,900	49,000	HK\$1,708 million (HK\$3,260 per sqft)	60%
	<b>Yangtze River Delta</b>				
	Lot 19-04, Puxing, Pudong District, Shanghai	17,193	31,000	RMB671 million (RMB21,682 per sqm)	100%
	<b>Pearl River Delta</b>				
Silver Cove, Shilong Town, Dongguan (Lot 2012WG034)	80,760	202,000	RMB657 million (RMB3,253 per sqm)	99%	



*Huadu Jiahua Plaza Phase 2, Guangzhou*

## 4. Visible Pipeline of Quality Projects

# More Than 20 Projects Principally Spanning First-tier Cities

Attributable GFA 1.8 million sqm\*  
Mostly in first-tier cities such as HK, Shanghai and Guangzhou



\* As at 30 June 2014

# Projects Well Underway with Enhanced Asset Turn

More than 20 projects in Hong Kong and Mainland China are well underway with enhanced asset turn

KWIH's Development Properties Portfolio		Year of launch			Project Total GFA (sqm)	Group's Interest	Target completion
		2H2014	2015	2016 or beyond			
HK	<b>Marinella</b> 深灣9號	Launched			69,300	35%	Completed
	<b>Chantilly</b> 肇輝臺6號	Launched			8,100	100%	Completed
	<b>Providence Bay</b> 天賦海灣	Launched			78,400	15%	Completed
	<b>Providence Peak</b> 濶玥·天賦海灣	Launched			83,600	25%	Completed
	<b>Mayfair by the Sea I</b> 逸瓏灣 I	Launched			67,000	15%	2015
	<b>Tseung Kwan O Town Lot No. 115</b> 將軍澳市地段115號		✓		28,000	100%	2016
	<b>Tseung Kwan O Town Lot No. 117</b> 將軍澳市地段117號		✓		45,000	40%	2016
	<b>Yuen Long Town Lot No. 513</b> 元朗市地段513號			✓	49,000	60%	2017
	<b>Kai Tak Area 1I Site 2, Kowloon</b> 九龍啟德發展區第1I區2號			✓	51,000	100%	2018
	<b>2 Grampian Road, Kowloon</b> 九龍嘉林邊道2號			✓	3,200	100%	
<b>30 Po Shan Road, Mid-Levels</b> 半山寶珊道30號			✓	3,700	50%		

# Projects Well Underway with Enhanced Asset Turn

More than 20 projects in Hong Kong and Mainland China are well underway with enhanced asset turn

KWIH's Development Properties Portfolio			Year of launch			Project Total GFA (sqm)	Group's Interest	Target completion	
			2H2014	2015	2016 or beyond				
Yangtze River Delta	Grand Summit, Jingan District, SH 上海靜安區嚴家宅嘉天滙		NEW	✓		100,000*	100%	2H2014 / 2015	
	The Palace, Xuhui District, SH 上海徐滙區嘉御庭	Phase 1 Phase 2		Launched		140,000 (Ph 1: 36,000) (Ph 2: 104,000)*	100%	Ph 1: completed Ph 2: 2016	
	Upstream Park, Minhang District, SH 上海閔行區嘉怡水岸			Launched			172,000	100%	Completed
	Windermere, Qingpu District, SH 上海青浦區嘉濤灣				✓		69,000	100%	Completed
	Lot 19-04, Puxing, Pudong District, SH 上海浦東區浦興地段19-04號					✓	31,000	100%	2017
	Site 7-7, Unit E18, Weifang Village Street, Pudong District, SH 上海浦東區維坊新村街道地段7-7號E18單元					✓	14,200	100%	2017
	Site G68, Maigao Qiao, Qixia District, NJ 南京棲霞區邁皋橋地段G68號					✓	142,800	100%	2017
Pearl River Delta	J Metropolis, Huadu Mega Integrated Project, GZ 廣州嘉滙城 (花都新華鎮超大型國際社區)	Phase 1 Phase 2 Phase 3	NEW	Launched ✓		828,000 (Ph 1: 73,000) (Ph 2: 70,000) (Ph 3: 70,000)	99.9 %	Ph 1: completed Ph 2: 2016 Ph 3: 2016	
	Le Palais, Huadu District, GZ 廣州花都嘉爵園			Launched		46,000	100%	Completed	
	Huadu Jiahua Plaza, GZ 廣州花都嘉華廣場 Phase 2: residential					✓	269,000 (Ph 2: 99,000)	100%	Ph 2: 2015
	Silver Cove, Shilong Town, DG 東莞石龍鎮星際灣	Plot 1: Lot 2012WG034 Plot 2: Lot 2014WG003	NEW	✓		✓	236,210 (Plot 1: 202,000) (Plot 2: 34,210)	99%	Plot 1: 2016 Plot 2: 2017
	The Summit, JM 江門嘉峰滙				Launched		35,000	100%	Completed

\* Certain portion will be retained as serviced apartments

# Projects in Hong Kong



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1 Marinella  
深灣9號

2 Chantilly  
肇輝臺6號

3 J SENSES, Wanchai  
灣仔嘉薈軒商場

4 30 Po Shan Road, Mid-Levels  
半山寶珊道30號

5 Tseung Kwan O Town Lots Nos.115 & 117  
將軍澳市地段115及117號

6 2 Grampian Road, Kowloon  
九龍嘉林邊道2號

7 Providence Bay, Providence Peak and Mayfair by the Sea I  
天賦海灣·溢玥·天賦海灣及逸瓏灣 I

8 Yuen Long Town Lot No. 513  
元朗市地段513號

9 Kai Tak Area 1I Site 2, Kowloon  
九龍啟德發展區第1I區2號

擬建之鐵路總站  
Proposed Railway Terminus

# Projects in Yangtze River Delta



- - - 滬寧城際高速鐵路  
Huning Intercity Express Rail Link
- - - 外環線  
Outer Ring Road
- - - 中環線  
Middle Ring Road
- - - 市中心商業區  
CBD

- 1** The Palace, Xuhui District  
徐匯區嘉御庭
- 2** Upstream Park, Minhang District  
閔行區嘉怡水岸
- 3** Shanghai K. Wah Centre  
上海嘉華中心
- 4** Grand Summit, Jingan District  
靜安區嘉天匯

- 5** Windermere, Qingpu District  
青浦區嘉濤灣
- 6** Weifang Village Street, Pudong District, Pudong  
浦東區滌坊新村街道
- 7** Lot 19-04, Puxing, Pudong District, Pudong  
浦東區浦興地段19-04號
- 8** Maigao Qiao, Qixia District, Nanjing  
南京棲霞區邁皋橋

# Projects in Pearl River Delta



- 1 Le Palais, Huadu  
花都嘉爵園
- 2 Huadu Jiahua Plaza  
花都嘉華廣場
- 3 J Metropolis, Huadu Mega Integrated Project  
嘉滙城 (花都新華鎮超大型國際社區)
- 4 The Summit, Jiangmen  
江門嘉峰滙
- 5 Silver Cove, Shilong Town, Dongguan  
東莞石龍鎮星際灣

- - - 九廣鐵路  
Kowloon-Canton Railway
- - - 地鐵九號線  
Metro Line 9
- - - 廣深港高速鐵路  
Guangzhou-Shenzhen-Hong Kong Express Rail Link
- - - 武廣高鐵  
Wuhan-Guangzhou High-Speed Railway
- - - 花都區市中心  
Huadu District CBD



*Grand Summit, Shanghai*

## Superior Projects Poised for Launch

# Mayfair by the Sea | 逸瓏灣 | – Hong Kong

Luxurious oceanfront residence along Tolo Harbour



GFA	67,000 sqm (15% owned)
No. of Units	546
Unit Size	556 - 3,649 sq ft
Status	Under construction
% Sold	Around 65%



# Grand Summit 嘉天滙 – Shanghai

## Contemporary luxury residential development in Jingan District



Progress as of Feb 2014

GFA	100,000 sqm* (100% owned)
No. of Units	387
Unit Size	169 - 662 sqm
Status	Under construction
Target Launch	2H2014



■ Preparation for marketing of serviced apartments is expected to be completed in 2H2014

\* Certain portion will be retained as serviced apartments

# J Metropolis Phases 2 and 3 嘉滙城第二、三期 – Guangzhou

Phases 2 and 3 of a large-scale integrated community in Huadu



GFA	Ph 2: 70,000 sqm Ph 3: 70,000 sqm (99.9% owned)
No. of Units	Ph 2: 600 Ph 3: 685
Unit Size	84 - 220 sqm
Status	Under construction
Target Launch	Phase 2: 2H2014 Phase 3: 2015



Phase 2 progress as of Jun 2014



# Silver Cove 星際灣 – Dongguan

Luxurious riverview residence along Dongjiang River



GFA	236,210 sqm (99% owned) Plot 1: 202,000 sqm Plot 2: 34,210 sqm
No. of Units	Plot 1: 1,547 Plot 2: 328
Unit size	89 - 240 sqm
Status	Plot 1: under construction Plot 2: planning
Target Launch	Plot 1: 2H2014 Plot 2: 2016 or beyond



Progress as of Jul 2014



*Chantilly, Hong Kong*

# Continuing to Market Quality Existing Projects

# Marinella 深灣9號 – Hong Kong

Luxurious seaview residence in Island South

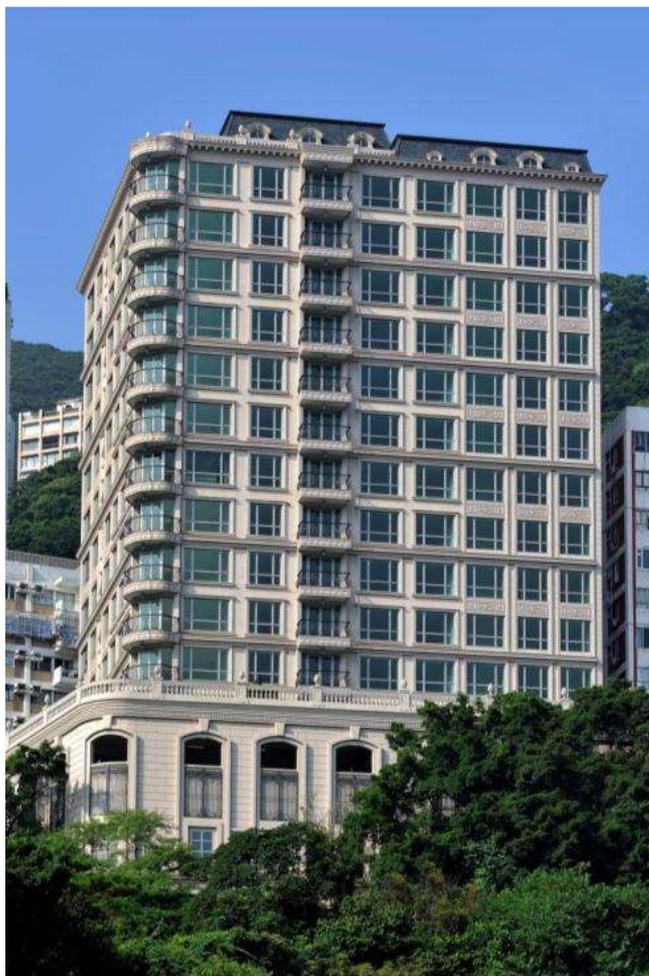


GFA	69,300 sqm (35% owned)
No. of Units	411
% Sold	Over 90%
Unit Size	596 - 3,622 sq ft
Status	Completed



# Chantilly 肇輝臺6號 – Hong Kong

Luxury residential enjoying panoramic racecourse view on Stubbs Road



GFA	8,100 sqm (100% owned)
No. of Units	24
% Sold	Over 20%
Unit Size	2,800 sq ft
Status	Completed



# Providence Bay 天賦海灣 and Providence Peak 溢玥·天賦海灣 – Hong Kong

Luxurious oceanfront residence along Tolo Harbour

GFA	78,400 sqm (15% owned)
No. of Units	482
% Sold	Around 60%
Unit Size	613 - 3,680 sq ft
Status	Completed

GFA	83,600 sqm (25% owned)
No. of Units	548
% Sold	Over 75%
Unit Size	620 - 2,982 sq ft
Status	Completed



# The Palace Phase 1 嘉御庭第一期 – Shanghai

Luxury residential with high-class commercial facilities in Xuhui District



GFA	36,000 sqm (100% owned)
No. of Units	198
% Sold	Over 90%
Unit Size	138 - 318 sqm
Status	Completed



# Upstream Park 嘉怡水岸 – Shanghai

Integrated residential and commercial complex in Minhang District



GFA	172,000 sqm (100% owned)
No. of Units	1,424
% Sold	Over 90%
Unit Size	77 - 200 sqm
Status	Completed



# Le Palais 嘉爵園 – Guangzhou

## Residential development in Huadu



GFA	46,000 sqm (100% owned)
No. of Units	303
% Sold	Around 60%
Unit Size	110 - 330 sqm
Status	Completed



# J Metropolis Phase 1 嘉匯城第一期 – Guangzhou

Phase 1 of a large-scale integrated community in Huadu



GFA	73,000 sqm (99.9% owned)
No. of Units	564
% sold	Around 80%
Unit Size	89 - 180 sqm
Status	Completed



# The Summit 嘉峰滙 – Jiangmen

Premium residential in downtown Jiangmen



GFA	35,000 sqm (100% owned)
No. of Units	327
% Sold	Over 70%
Unit Size	79 - 133 sqm
Status	Completed





*The Palace Phase 2, Shanghai*

# Sustaining Momentum with a Premium Landbank

# Tseung Kwan O Town Lots Nos. 115 & 117, Yuen Long Town Lot No. 513 and Kai Tak Area 1I Site 2, Kowloon – Hong Kong

## Tseung Kwan O Town Lots Nos. 115 & 117 - Premium residential in East Kowloon



Plot	Tseung Kwan O Town Lot No. 115	Tseung Kwan O Town Lot No. 117
GFA	28,000 sqm (100% owned)	45,000 sqm (40% owned)
No. of Units	374	544
Status	Under construction	Under construction
Target Launch	2015	2015

## Yuen Long Town Lot No.513 - Premium residential along the railway



GFA	49,000 sqm (60% owned)
No. of Units	>=832
Status	Under construction
Target Launch	2016 or beyond

## Kai Tak Area 1I Site 2, Kowloon - Premium residential in East Kowloon



GFA	51,000 sqm (100% owned)
No. of Units	>=855
Status	Planning
Target Launch	2016 or beyond

# 2 Grampian Road, Kowloon and 30 Po Shan Road, Mid-Levels – Hong Kong

**2 Grampian Road, Kowloon**  
Quality residential in downtown Kowloon

GFA	3,200 sqm (100% owned)
Status	Planning
Target Launch	2016 or beyond

**30 Po Shan Road, Mid-Levels**  
Premium residential on Mid-Levels

GFA	3,700 sqm (50% owned)
Status	Planning
Target Launch	2016 or beyond



# Windermere 嘉濤灣 and The Palace Phase 2 嘉御庭第二期

## Windermere, Shanghai

Low-rise residential with shopping and commercial facilities in Zhujiajiao

GFA	69,000 sqm (100% owned)
No. of Units	256
Unit Size	227 - 367 sqm
Status	Completed
Target Launch	2015



## The Palace Phase 2, Shanghai

Luxury residential with high-class commercial facilities in Xuhui District

GFA	104,000 sqm* (100% owned)
No. of Units	410
Unit Size	127 - 485 sqm
Status	Under construction
Target Launch	2015



Progress as of Jul2014

\* Certain portion will be retained as serviced apartments

# Site 7-7, Unit E18, Weifang Village Street, Pudong District, Lot 19-04, Puxing, Pudong District – Shanghai and Site G68, Maigao Qiao, Qixia District – Nanjing

## Site 7-7, Unit E18, Weifang Village Street, Pudong District, Shanghai Luxury residential conveniently connecting to CBD



GFA	14,200 sqm (100% owned)
No. of Units	109
Unit Size	80 - 210 sqm
Status	Planning
Target Launch	2016 or beyond

## Lot 19-04, Puxing, Pudong District, Shanghai - Premium residential conveniently connecting to CBD



GFA	31,000 sqm (100% owned)
No. of Units	229
Status	Planning
Target Launch	2016 or beyond

## Site G68, Maigao Qiao, Qixia District, Nanjing - Premium residential in a developed community



GFA	142,800 sqm (100% owned)
No. of Units	1,172
Unit Size	90 - 140 sqm
Status	Planning
Target Launch	2016 or beyond

# Huadu Jiahua Plaza 花都嘉華廣場 – Guangzhou

Integrated development with residential and commercial



GFA	269,000 sqm (100% owned) Phase 1: 42,000 sqm Phase 2: 99,000 sqm Phase 3: 128,000 sqm
Status	Phase 1: completed Phase 2: under construction Phase 3: planning
No. of Units	Phase 2: 778
Target Launch	Phase 2: 2015

Progress as of Jun 2014

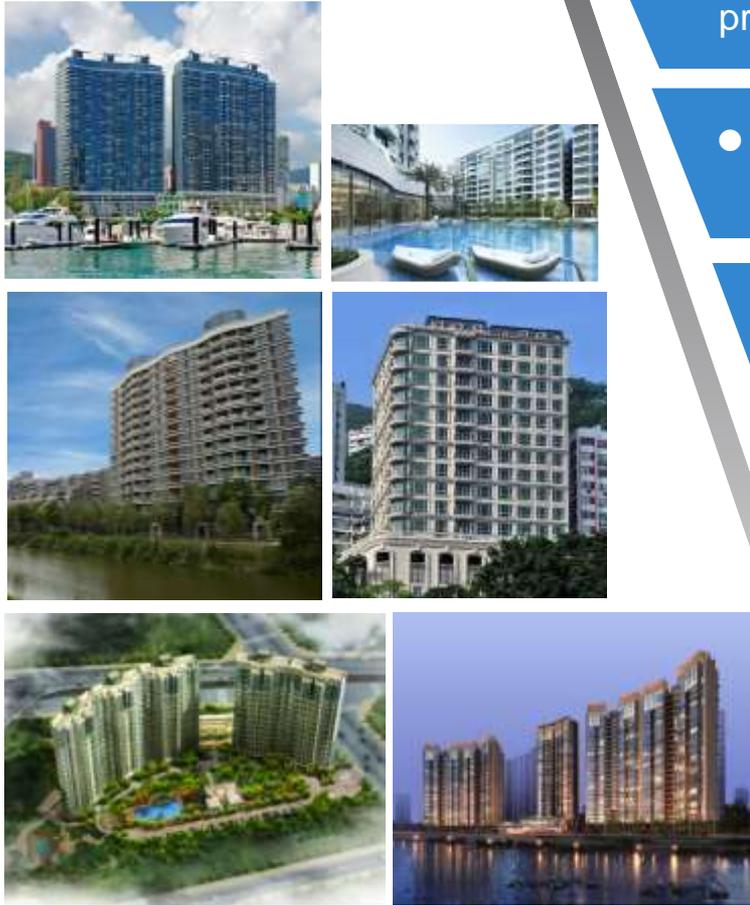




*Upstream Park, Shanghai*

## 5. Strategy and Outlook

# Solid Foundation for Long-term Sustainability



- Focused strategy on developing niche high quality residential projects principally in Hong Kong, Shanghai and Guangzhou
- Quality assets consisting of projects in first-tier cities and stake in Galaxy Entertainment Group
- High visibility of pipeline projects with enhanced asset turn
- Disciplined and continuous land replenishment at opportune time to drive long-term sustainability
- Continuous expansion in investment portfolio to increase recurring income with commitment to stable dividend distribution
- Solid financial position set for future growth



**Thank You!**