



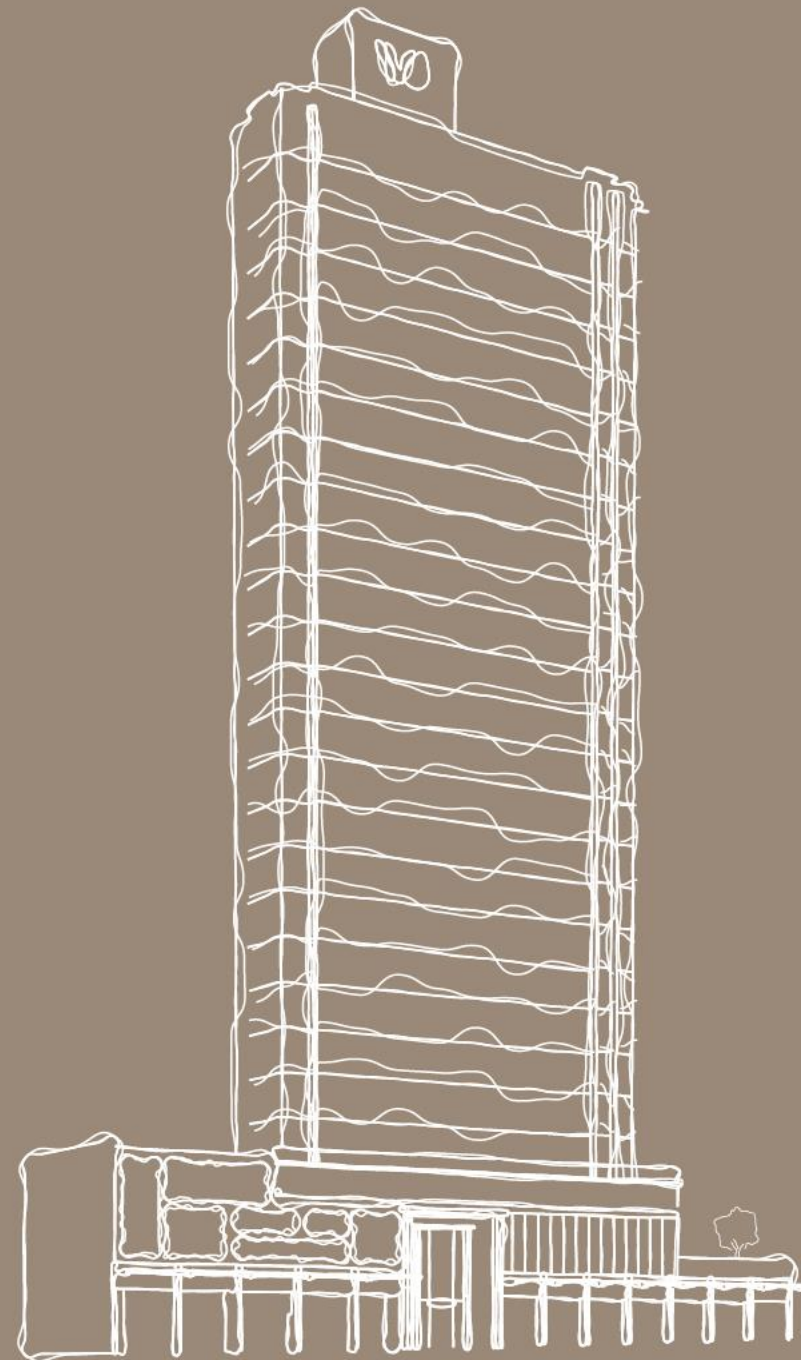
宏安地產
WANG ON PROPERTIES

於百慕達註冊成立之有限公司
Incorporated in Bermuda with limited liability
股份代號 Stock Code: 1243

Wang On Properties Investor Presentation

2024 Annual Results

Ming Fung Street Project



2024 Annual Results Highlights



Major Acquisitions

- Sunny House, No.19 Luk Hop Street
- 3-9 Finnie Street, Quarry Bay
- 18-20 Sze Shan Street, Yau Tong

Stable Recurring Income & Occupancy Rate

- Gross rental income increased by 32% yoy to HK\$158 Mn*;
- Overall occupancy rate over 97%

Investment in JV projects

- The total investment in JV projects increased from HK\$3.5B (FY2022/23) to HK\$3.8B (FY2023/24).
- Formation of a new JV with Chevalier for site located in Sze Shan Street

Asset Management

- New asset class : Student Housing Sunny House
- Key partners : [Angelo Gordon/APG/ KKR](#)

Write down on properties under development

- Subsidiaries HK\$692 million
- JVs HK\$87 million
- Non-cash items
- Expected one off exercise

2024 Annual Results Highlights



	FY2024 (HK\$ Mn)	FY2023 (HK\$ Mn)	YoY%
Revenue	298	1,992	- 85%
Gross profit	74	330	- 78%
Core profit attributable to owners of the parent¹	28	319	- 91%
(Loss)/Profit Attributable to owners of the parent	(733)	211	- 447%
Contracted sales(included Joint Ventures)	1,708	1,533	+11%

	As at 31 Mar 2024 (HK\$ Mn)	As at 31 Mar 2023 (HK\$ Mn)	YoY%
Cash & Bank Balance	723	869	- 17%
Bank Loans²	3,989	3,999	n/m
Total Assets	9,890	9,746	+ 1%
Net Assets	4,447	5,283	- 16%
Net Debt to Total Asset	33%	32%	+ 3%

Notes:

1 excluding the effects of non-cash items and non-recurring items, namely write-down of properties under development and properties held for sale, loss on disposal/redemption of debt investments at fair value through other comprehensive income, fair value changes on investment properties and financial assets and liabilities at fair value through profit or loss and impairment losses on financial assets

2 Undrawn committed bank facilities as at 26 June 2024 amounted to approximately HK\$109Mn.

Contracted Sales

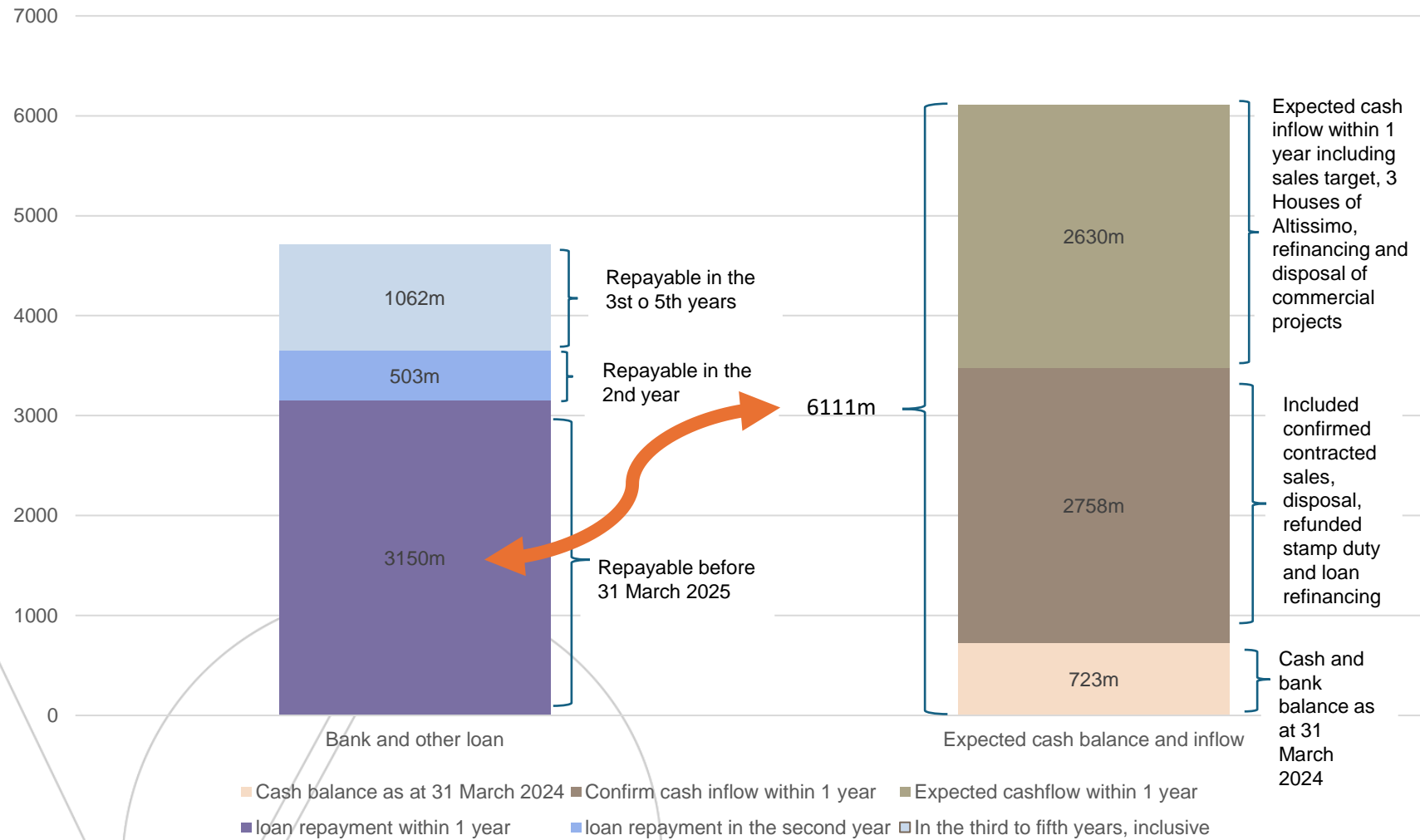


Projects	WOP's Interest	Contracted sales FY2024 (HK\$ Mn)	Contracted sales FY2023 (HK\$ Mn)	Recognized sales FY2024 (HK\$ Mn)	Contracted sales to be recognized in FY2025 (HK\$ Mn)
The Met. Azure	100%	17	537	98	17
Larchwood	100%	156	462	-	618
Phoenext	50%	672	-	-	-
Maya	50%	3	148	-	-
Altissimo	40%	860	386	395	386
Mount Pokfulam	70%	-	-	-	333
Total		1,708	1,533	493	1,354

Debt maturity profile



Debt maturity profile as at 31 March 2024 (HK\$'Mn)



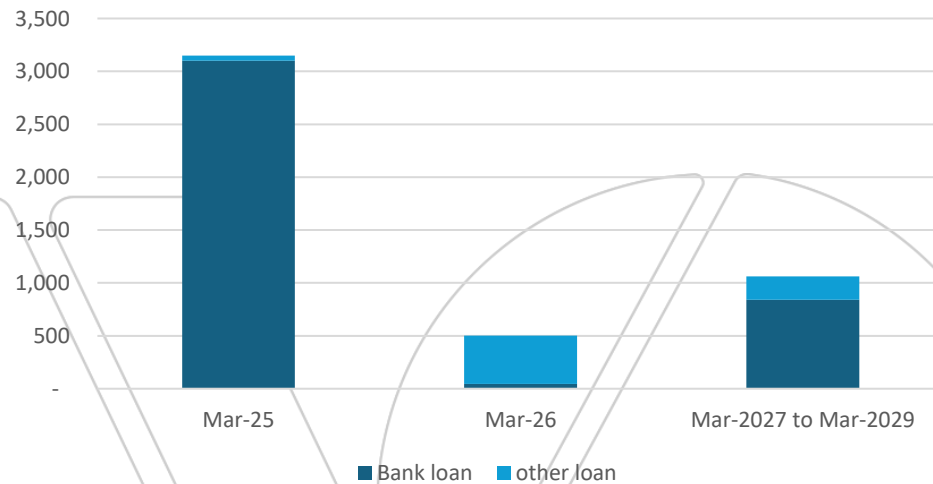
Debt maturity profile in coming 1 year



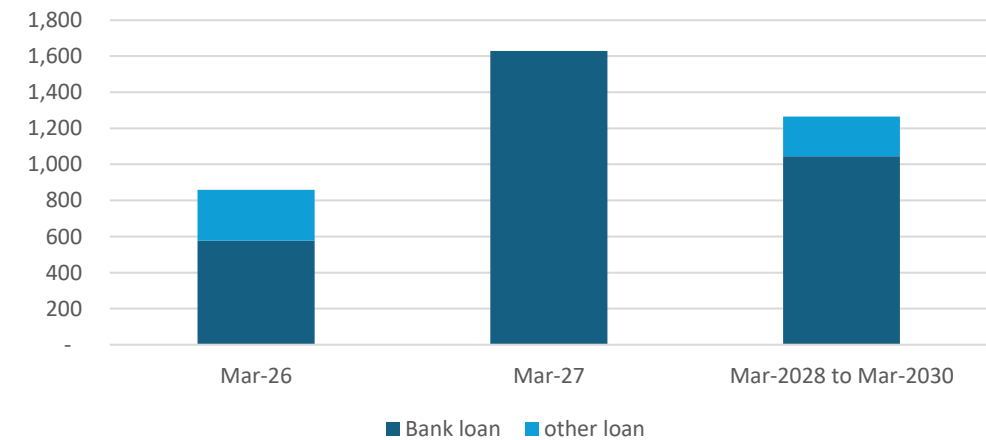
Total current bank and other borrowings are expected to decrease from HK\$3.2 billion to HK\$0.9 billion in 1 year and reduce the current loan burden, primarily due to the following factors:

- Repayment of project loans after the handover of the Larchwood contracted sales to buyers
- Refinancing of the project loans for Pokfulam and partial repayment of approximately 60% of the project loans after the handover of 2 houses to buyers
- Assuming the syndication loan of approximately HK\$1,015 million can be refinanced to a term of over 2 years (repayable in March 2027). The target refinancing amount is only 70% of the original loan

Debt maturity profile as at 31 Mar 2024 (HK\$'Mn)



Debt maturity profile proforma as at 31 Mar 2025 (HK\$'Mn)



Plan for the next two years



Top priority in deleveraging

- Actively work on reducing its debt level
- Target to achieve a net gearing ratio below 25% in two years

Prudent capital investment strategy

- NO major acquisition of properties or capital investments is expected in the next two years
- Avoiding overextension and ensuring sufficient liquidity

Pre-sales of residential projects (including properties under developments)

- Intensely focused on accelerating the pre-sales of residential development projects including **6 APG projects, Ping Lan Street and Finnie Street**
- Expected total contracted sales of HK\$ 7.4 billion(included expected contracted sales from JV HK\$5.3 billion) over the next two years
- All proceeds from the pre-sales of our residential projects will be earmarked for the repayment of bank loans and projects' constructions cost

Strong asset base ensures long-term liquidity

- Sufficient strong asset base of approximately HK\$8.0 billion for ensuring repayment of total debts
- Avoiding overextension and ensuring sufficient liquidity

Strength and stability of WOP



Valuable Asset Portfolio in Prime Locations

- Primarily located in Kowloon and Hong Kong Island and located close to MTR stations and CBD in Hong Kong such as King's road, Quarry Bay, Ap Lei Chau and Wong Tai Sin, Pokfulam
- attract high demand and offer excellent growth potential

Robust Repayment and Divestment Plan

- Expected sale of *6 houses in Mount Pokfulam* for HK\$1.6 billion by 2025-2026
- Completed *Larchwood project*, which is set to generate over HK\$600 million in cash flow in coming July to Sep 2024

Reliable Joint Venture partnership

- Reliable joint venture partnerships with world class firms like KKR, AG, and APG
- Our residential projects with APG is able to delivering HK\$2 billion in returns over 2025-2028

Proven Repayment Track Record

- Maintained an *impeccable repayment history*, with no defaults on interest or principal payments
- Our track record strengthens our credibility in the market, making us a preferred partner for future investment opportunities

An aerial photograph of a modern high-rise building with a mix of tan and grey facades. The building is situated on a hillside overlooking a bay. In the foreground, a bus terminal with several green buses is visible. The background features lush green hills and a blue sky with scattered clouds. The text "2. Property Development" is overlaid in white on the building.

2. Property Development

Property development – Key take away

Core business

- Acquisition of land to develop properties
- Acquisition of existing buildings to be demolished and rebuilt into new properties

Focus on developing mass residential market in HK

- **9 Boutique residential projects under “The Met.” series**
 - Total saleable areas of “The Met.” series projects: approximate of 600,000 (sq.ft)
 - Completion of 7 projects, including “The Met. Focus”, “The Met. Sublime”, “The Met. Delight”, “The Met. Azure” etc.
 - All units were sold out
 - 2 projects in Kowloon, “Larchwood” and “Phoenext”, are under pre-sales → over sales proceeds of \$1,200 million

Adheres to multi-brand strategy in the development of properties

- **3 Luxury residential projects under “NOUVELLE” series**
 - In 2018, launch of the sales of “Altissimo” project → sales proceeds approximate of \$7,200 million
 - In 2023, completion of the sales of “maya” project → sales proceeds approximate of \$4,000 million
 - Developing 2 new quality projects with a JV in HK Island → commence the pre-sales in 2nd half of 2024 and 1st half of 2025

Capable of building premium properties

- **3 House projects**
 - Completion of 2 house projects of “Meister House” and “Godi” in New Territories
 - Selling a new premium house project, “MOUNT POKFULAM”, in HK Island → succeeded the sale of the first house in April 2024

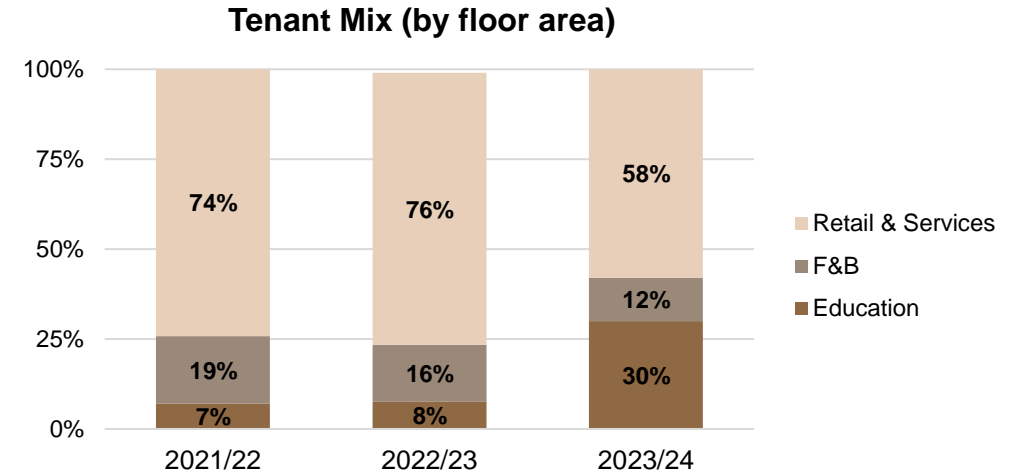
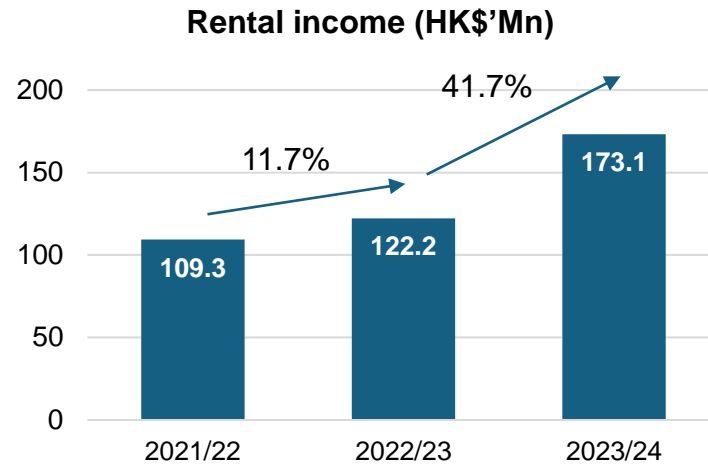
Series	Project	WOP's interest	Usage ¹	Est. GFA (sq.ft)	Est. SFA sold (sq.ft)	Est. GDV (HK\$ Mn)	Pre-sale
The Met.	Nos. 50-62 Larch Street, TKT (Larchwood)	100%	R&C	61,500	24,000	1,100	On Sale
House	86A-D Pok Fu Lam Road (MOUNT POLFULAM)	70%	R	28,500	4,800	2,000	On Sale
The Met.	Nos. 26-48. Ming Fung St., WTS (Phoenext)	50%	R&C	81,200	42,000	1,300	On Sale
NOUVELLE	101 & 111 King's Road, NP	50%	R&C	130,000	-	3,400	2024
The Met.	3-9 Finnie street, Quarry Bay	100%	R&C	39,100	-	800	2024
The Met.	17-23 Main St., ALC	100%	R&C	68,100	-	1,200	2025
The Met.	Nos. 31-41 & 45 Fei Fung St, WTS	50%	R&C	93,700	-	1,400	2025
The Met.	Nos. 12-16, 18-20, 22 & 24 Ting Yip St., KT	50%	R&C	46,300	-	600	2025
The Met.	120-130 Main Street, ALC	50%	R&C	74,200	-	1,400	2025
The Met.	Nos 5-9 Wai Fung St., ALC	50%	R&C	38,600	-	700	2025
NOUVELLE	18-20 Sze Shan Street, Yau Tong	100%	R&C	292,000	-	5,000	2026
			Total	953,200	70,800	18,900	

¹: R: Residential; C: Commercial.

3. Commercial Investment



Commercial Investment – Leased Portfolio



Property	WOP's interest	Acquired / Completed in	Acq. Cost (HK\$Mn)	Approx. Floor Area (sq.ft)	Rent (psf or per carpark/mth)		Occupancy	
					2024	2023	2024	2023
The Parkside	50%	7/2019	780	35,300	\$105	\$98	95%	96%
Lake Silver	50%	5/2019	653	31,400	\$131	\$116	100%	100%
Parkville	64%	6/2021	242	10,000	\$108	\$118	100%	100%
Jumbo Court	50%	9/2021	414	509 CPS *	\$2,811	\$2,811	100%	100%
Maya	50%	12/2021	405	34,700	\$37	\$37	100%	100%
Sunny House #	35%	4/2023	2,000	285,000 ^	N/A	N/A	N/A	N/A
Others	100%		156	36,600	\$9	\$24	100%	100%
Total			4,650	433,000				

*Car parking space

^ GFA

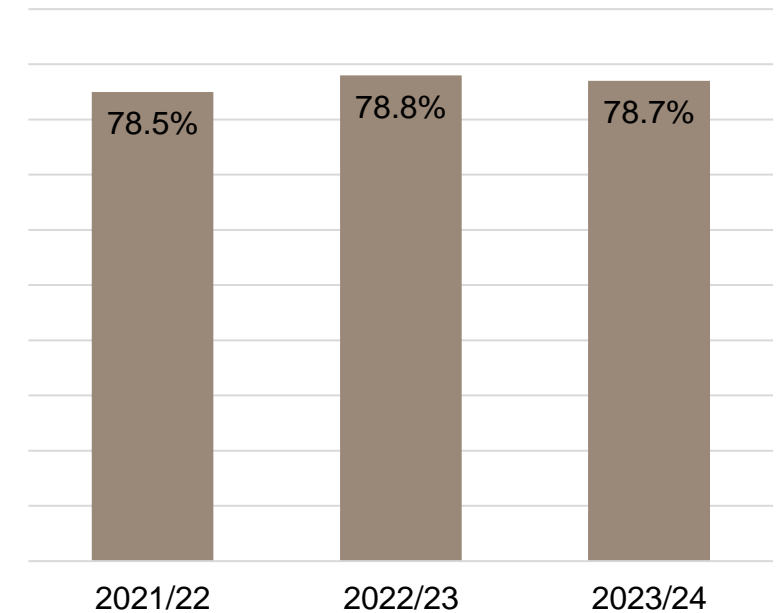
Under renovation as at 31 March 2024

Commercial Investment – Key take away



- Held for generating recurring rental income, capital appreciation and ensure our long-term financial strength
- By optimizing tenant mix to enhance value and rental prices
- Completed investment properties with a total areas of approximately 433,000 sq.ft., as of 31 March 2024
- The expected rental income may increase from upcoming opening of Project Sunny House
- Stable operating margin throughout the years

Operating margin



4. Asset Management



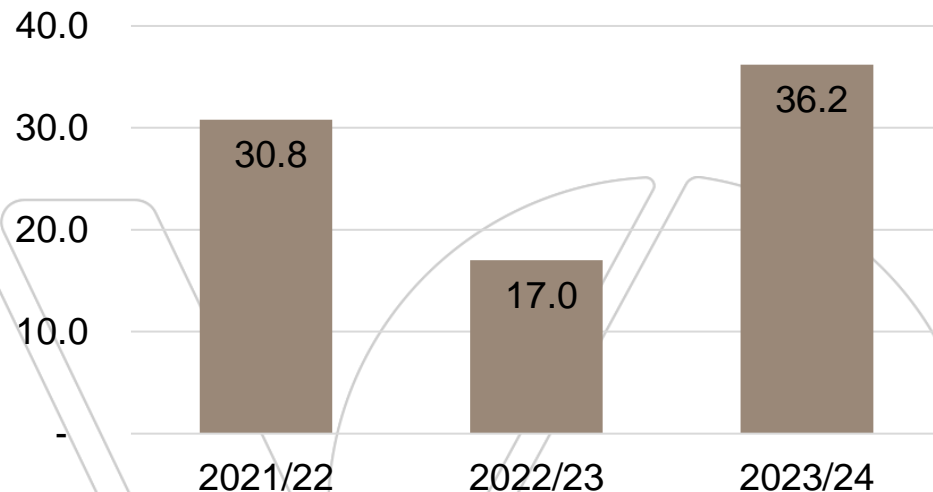
Asset Management – Key take away



Strategy

- Establish strategic joint ventures with various partners to facilitate residential developments and commercial investments.
- Utilize the extensive resources and networks within the Hong Kong market to effectively manage assets on behalf of our capital partners.
- Generate consistent and reliable asset management fees for our services












Management Fee Income (HK\$'Mn)



The increase in FY23/24 was mainly due to the recognition of an one-off acquisition fee derived from a newly acquired project co-invested with a joint venture partner

Asset manager – our portfolio



	Residential		Commercial			Student Housing
Partners	 其士集團 CHEVALIER GROUP				Local Family Offices & High- Net-Worths	
Projects	Redevelopment project in Yau Tong 	6 Redevelopments Sites across HK 	Parkside & Lake Silver Retail Podium 	Jumbo Court Carpark 	Parkville Retail Podium 	Sunny House 
Year	2024	2021	2019	2021	2021	2023
WOP %	50%	50%	50%	50%	64%	35%

- Occupancy for Parkside, Lake Silver, Jumbo and Parkville are close to 100%
- The big project in FY2024 is on Sunny House upcoming pre-leasing

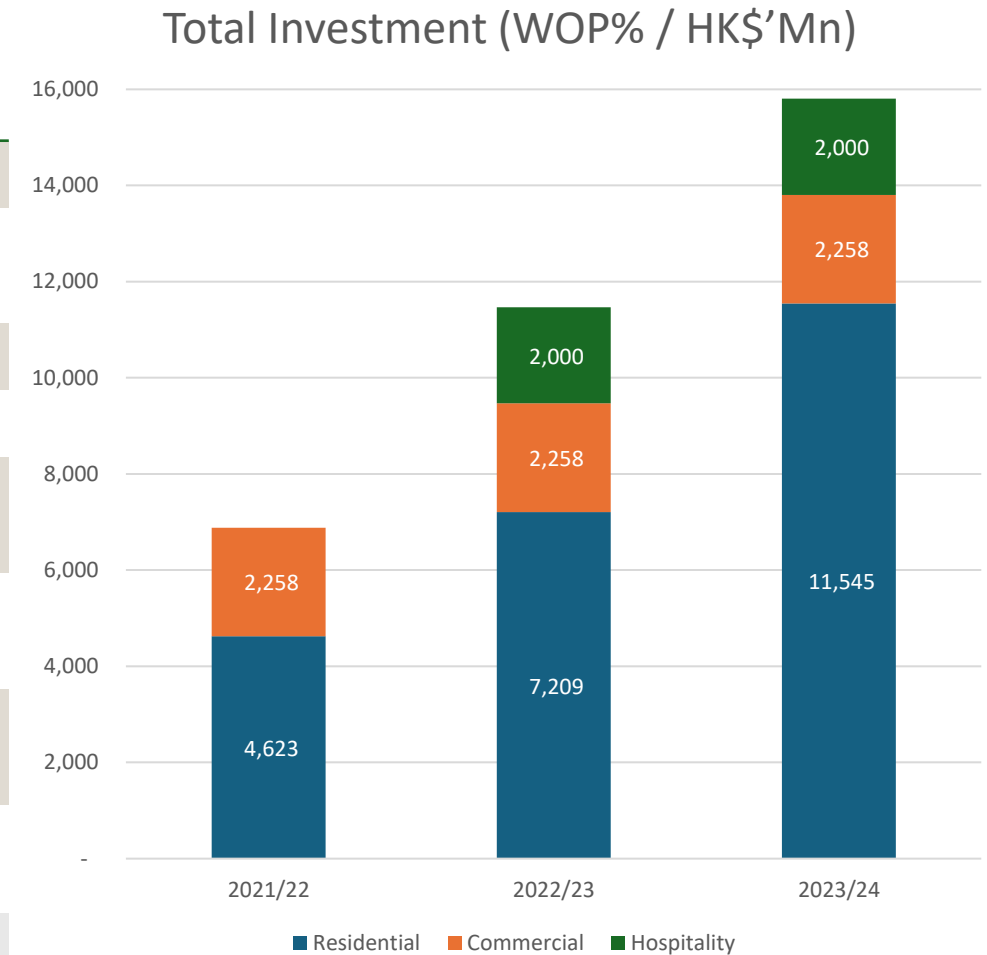
Asset Management



Property	Partner	JV set up @	WOP's interest	Approx. Floor Area (sq.ft)
6 Residential projects	APG	2021	50%	466,300 [^]
86A-D Pok Fu Lam Road	Kam Wah	2018	70%	28,500 [^]
The Parkside	KKR	2019	50%	35,300
Lake Silver	KKR	2019	50%	31,400
Parkville	Professional investors	2021	64%	10,000
Jumbo Court	Angelo Gordon	2021	50%	509 CPS
Sunny House, Kowloon #	Angelo Gordon	2023	35%	285,000 [^] (~720 rooms)
Sze Shan Street, Yau Tong	Chevalier	2024	50%	323,700 [^]
Total				1,180,200

[^] GFA

acquisition completed on 5 April 2023



Sunny House
Hong Kong, Kowloon

5. Student housing



Sunny House – Key take away



A Co-invested project partnered with Angelo Gordon

The largest student accommodation in Hong Kong

4 types of rooms (including Single, Twin, Trio and Quad room)

720 Rooms with 1,424 beds to be launched in July 2024.
More than 32,000 s.q.f. common area

5 minutes walk to Diamond Hill MTR station

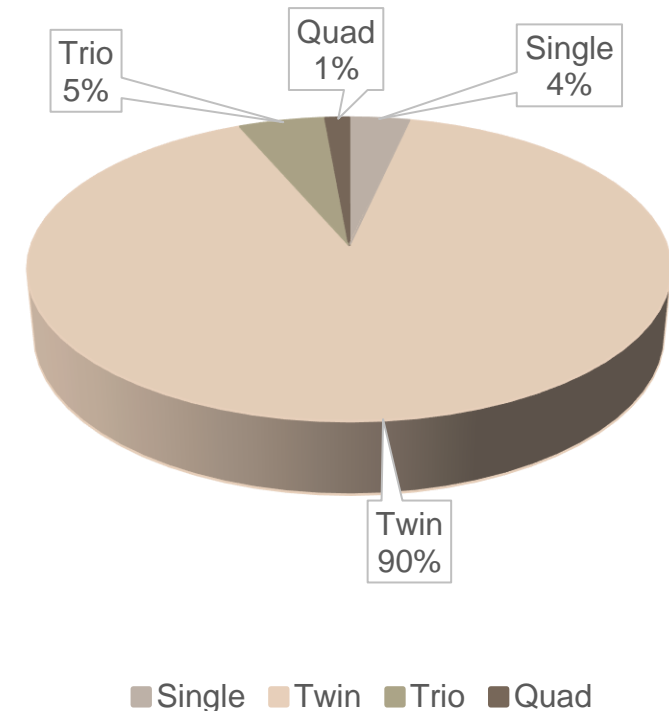
Target residents: University students from Mainland China and overseas and young professionals

Estimated yearly rent: approximately to HK\$129Mn

As a community, provide charity and social works, Sports and events activities, education and career development

「苟日新，日日新，又日新。」《禮記·大學》
勤於反省自身和不斷革新，機會是留給勇於創新的人。

Bed Types



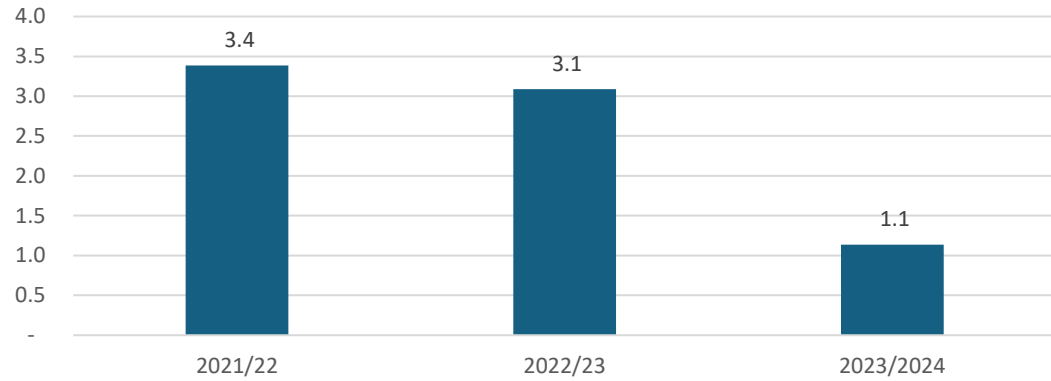


6. Financial ratios

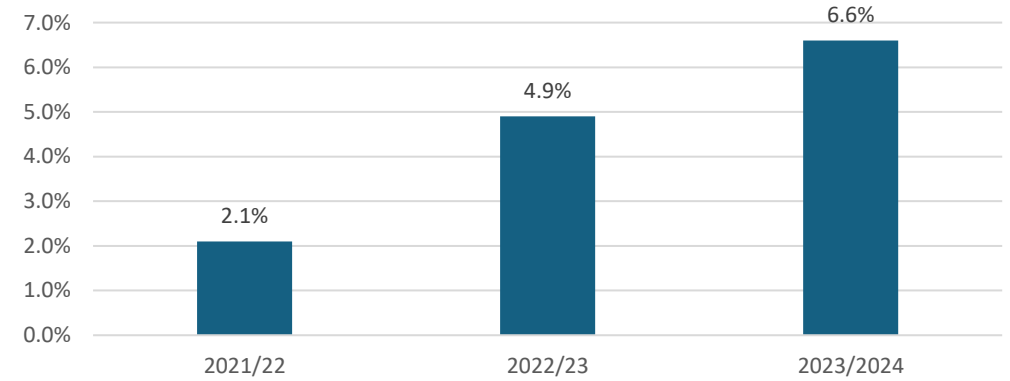
Financial Ratios



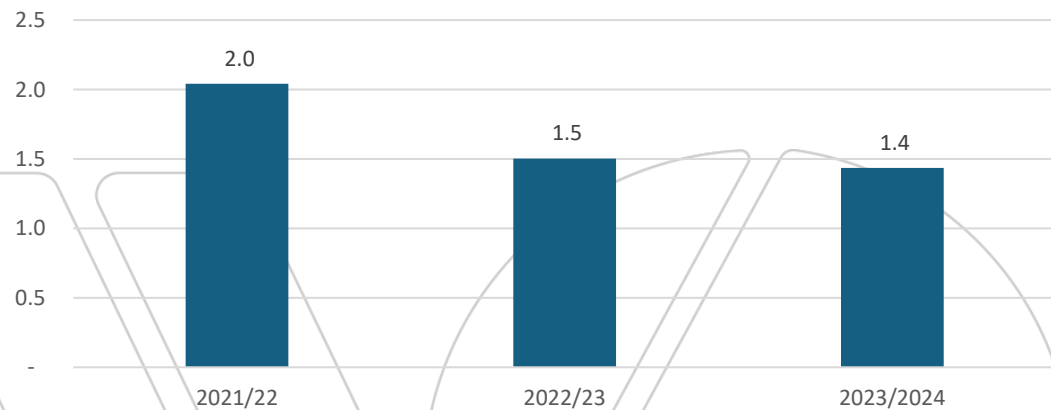
Interest Coverage



Cost of Funding for bank borrowings



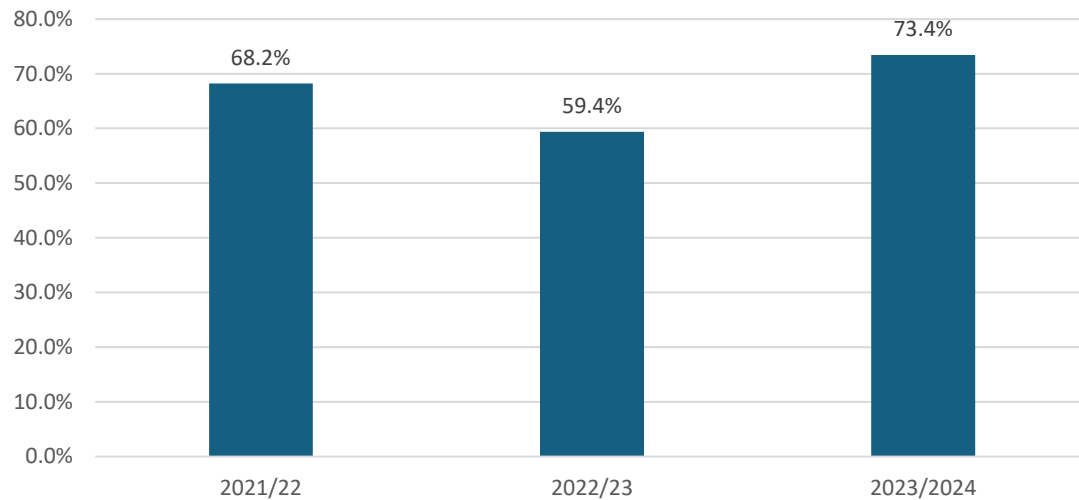
Current Ratio



Financial Ratios



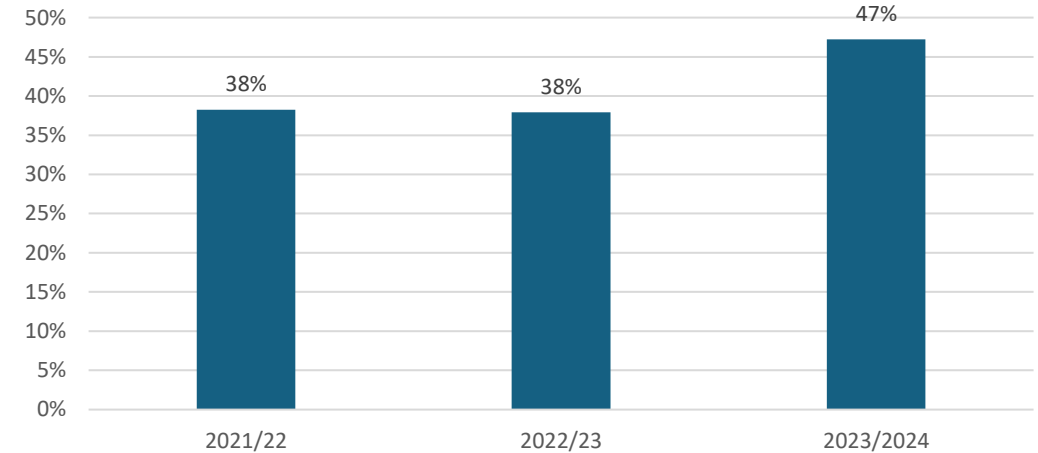
Net bank Gearing (Net bank debt / NAV)<note>



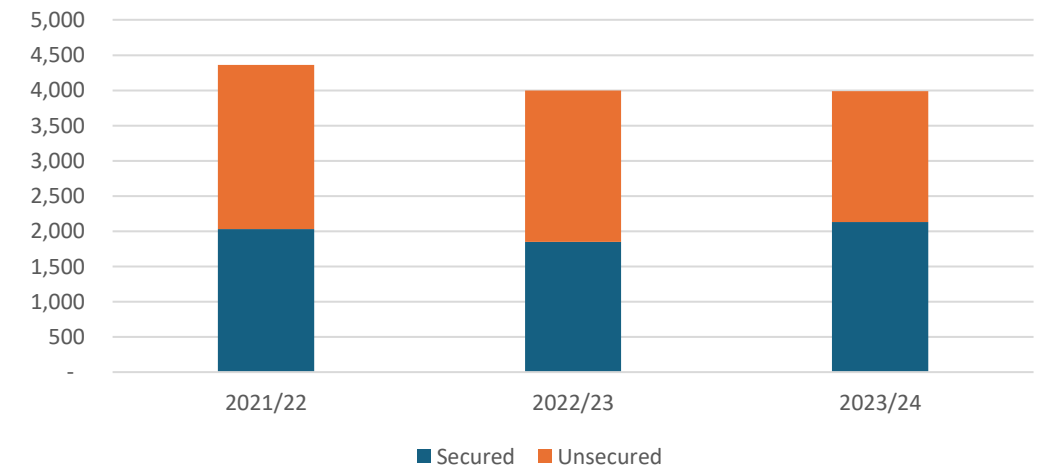
<note> Net bank gearing is calculated by total bank borrowings net of cash and bank balances and the Net Asset Value

<note2> total debts represented bank and other borrowing

Debt to Asset ratio((total debts-contract liabilities)/total assets)<note2>



Secured & Unsecured Bank Loans





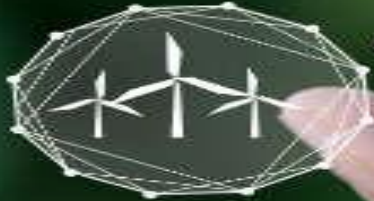
SOCIAL



ENVIRONMENTAL

ESG

GOVERNANCE



ESG Pillars



In June 2022, we announced our 5-year plan which covers corporate governance, sustainability in places, and people.
We support the United Nation's Sustainability Development Goals (SDG)
to advance sustainability development in our Group. Consistent indicators are used to monitor our progress.

Robust Governance



- ESG governance
- Corporate governance

Sustainable Places



- Climate action and resilience
- Sustainable certifications
- Circular economy

Thriving People



- Driven employees
- Satisfied clients
- Healthy supply chain
- Prosperous communities

A Passion for Tomorrow



Environment

- Participated in the annual **GRESB** (Global Real Estate Sustainability Benchmark) assessment.
- Successfully completed a Sustainability-linked Loan over HKD680 million with greenshoe option and achieved a 4-Star rating for the Development Benchmark under the 2023 GRESB Assessment.
- Committed to achieving net-zero carbon emissions in line with Hong Kong's Climate Action Plan 2050.
- our projects located in King's Road, Fortress Hill and The Parkside Mall have obtained the BEAM Plus Bronze and BEAM Plus Gold Rating for New Building, respectively.

Social

- To care for the underprivileged and give back to society, we support the community by working with various local-community organizations and **donating goods and resources to people in need.**
- Continue to **establish scholarships for academically outstanding students.**
- arranged a site visit to The Met. Azure for students from the Technological and Higher Education Institute of Hong Kong, with the intention of motivating and inspiring them to prepare for their career development.
- **Donated approximately HK\$[2] million** in FY2024.

Governance

- **Established ESG Committee since FY2021/22**
- **Keep working on 5-year ESG plan** which covers corporate governance, sustainability in places, and people.
- **Support the United Nation's Sustainability Development Goals (SDG)** to advance sustainability development in our Group.
- **Partnered with ICAC and arranged Anti-Corruption Training for all staff** including directors and senior management.

Building Our Future



WOP organized the “Festive Visiting Programs” through Hong Kong New Arrivals Services Foundation Limited. Our staff volunteers spread love and blessings to the underprivileged families who live in subdivided apartments by visiting them and providing much-needed support and care.



WOP participated in the “Walk for Millions” program in Hong Kong to raise public awareness and support for those in need, particularly the underprivileged and disadvantaged members of society. The Group generously donated funds towards promoting community engagement and social responsibility, and also to address critical social concerns such as poverty, education, healthcare, and environmental protection.

WOP continued “Wang On Properties Academic Excellence Scholarship for BBA Students”, sponsoring outstanding students with exemplary academic performance from the Hang Seng University of Hong Kong, with the aim of providing them with encouragement and motivation to pursue a career advancement prospect of their choice.

