



# **HWA HONG CORPORATION LIMITED**

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61th Annual General Meeting

24 April 2014, 11am

Novotel Singapore Clarke Quay

# OUR FY2013 OPERATING PERFORMANCE

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<b>SGDm</b>	<b>FY2012</b>	<b>FY2013</b>	<b>Change</b>
Revenues	26.3	28.6	8.7%
EBITDA	7.6	12.3	61.8%
Net profit after tax	6.6	8.8	33.3%
Earnings per share (cts)	1.02	1.35	32.4%



# OUR FINANCIAL HIGHLIGHTS

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## Gearing

Net debt 29.0m

Net assets 202m

Net debt/Eq. 14%

## Payout

NPAT 8.8m

Dividend 6.5m

Payout ratio 74%

Dividend yield 3.2%

## Market valuation

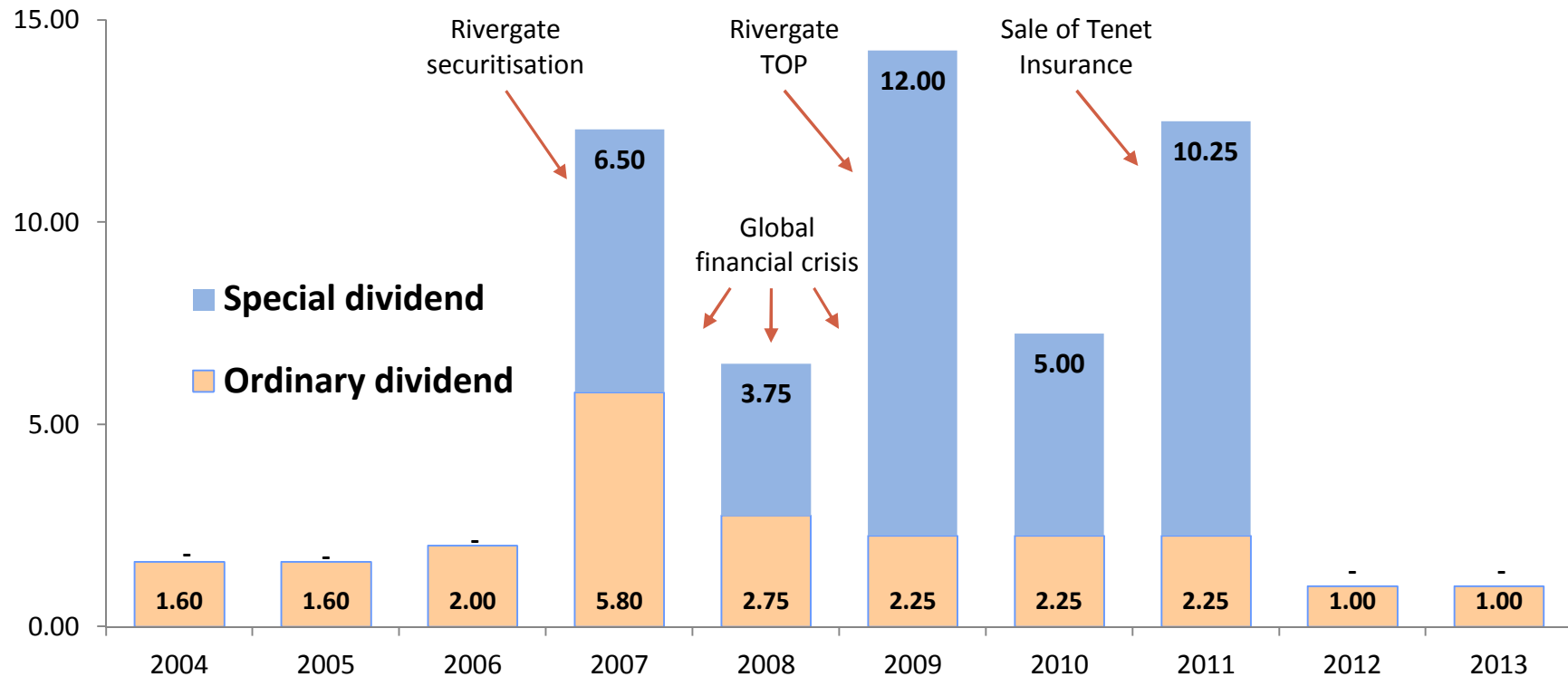
Mkt cap 203m

Price/BV 1.0x

PER 23.0x



# OUR DIVIDEND HISTORY



An investor between 2004 and 2010 would have received 26% to 108% of his original cost of investment back from the ordinary and special dividends paid out to shareholders, while still holding on to his shares which are worth c.SGD31cts today



# OUR BUSINESS

## REAL ESTATE PORTFOLIO

Location	Residential	Commercial	Industrial
Singapore	<u>Rivergate</u> 8 units	<u>Scotts Spazio</u> c.151,651sf  <u>Rivergate</u> 4 retail units (c.3,563sf)	<u>110 Paya Lebar</u> Leased as data centre to Pacnet (c.157,109sf)
United Kingdom	<u>Queen's Gate</u> 9 apartments in 2 blocks  <u>Hornton Street</u> 11 apartments in 2 blocks	<u>Central London</u> 5 office buildings (c.46,567sf)  <u>Outside London</u> 3 office buildings in Liverpool, Manchester and Willenhall and 1 mixed-use development site in Sheffield (c.131,147sf)	n.a.



# OUR BUSINESS

## INVESTMENT PORTFOLIO

Investment type	Description
Private equity real estate investments (ownership of less than 50%)	<u>Orchard Medical Suites</u> 30% interest in 38 medical office units (c.32,959sf) at Lucky Plaza  <u>Allen House</u> c.20% interest in redevelopment of a 45 unit residential apartment block in central London  <u>Commercial office space at Orchard Towers</u> 30% interest in 3 units (c.3,563sf)
Quoted and unquoted investments excluding real estate investments (Asia ex-Japan)	Strategic interest in MTQ Corporation (c.5.5% interest)  Other investments include REITs, blue chip companies, SGX-ST listed companies and dividend yield stocks



# KEY ACTIVITIES IN FY2013

## NEW INVESTMENTS

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### ***Neo Bankside, London, UK***

- Freehold commercial property
- c.7,300 sf of commercial space purchased at GBP5.2m (GBP712psf)
- Newly completed and designed by award winning architect Roger Stirk Harbour
- Located in the vibrant South Bank area
- Long lease signed for 15 years



### ***Allen House, London, UK***

- 45 unit residential block located off Kensington High Street
- Redevelopment planned
- Off-market transaction
- Investment of c.GBP5m
- c.20% interest with advisory role
- Currently undergoing planning process with an expected investment period of c.2.5 years



# KEY ACTIVITIES IN FY2013

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## Divestments

Gain (SGDm)

Rivergate residential unit:

1.8m

9 medical office units at Lucky Plaza :

3.4m

London residential unit:

1.5m

## Asset enhancement

110 Paya Lebar:

Estimated 12% increase in lettable area, 15 year lease

Queens Gate London:

Increase in lettable area of all 6 apartment units and significant increase in rental income

Office building in Clerkenwell London:

Conversion from service office into high specification office





# GROUP STRATEGY FOR 2014

## KEY STRATEGIC OBJECTIVES

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- Increase the Group's recurrent income and cash flow
- Optimal mix of income generating assets vs development assets
- Improve allocation and use of capital
- Seek to enhance investment returns from investment business
- Explore possible new markets and businesses
- Strive to maintain regular dividends





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**Thank you**