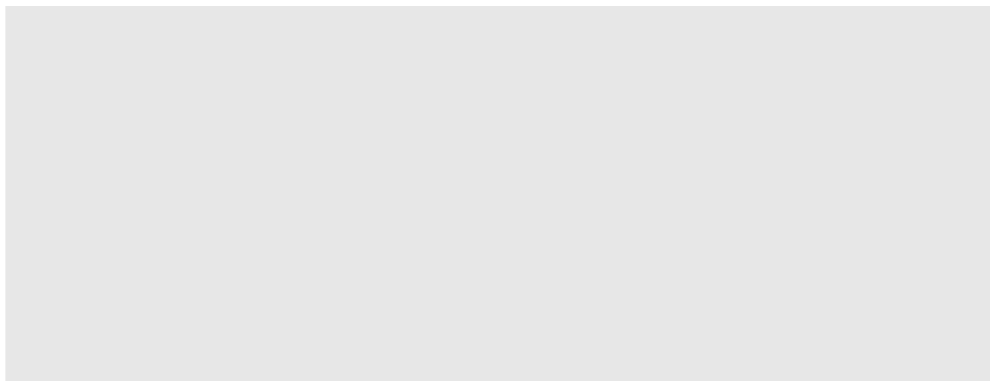




Stock Code: 54

# HOPEWELL HOLDINGS LIMITED

合和實業有限公司



ANNUAL RESULTS

2017/18

22 August 2018

Presentation slides are available on [www.hopewellholdings.com](http://www.hopewellholdings.com)

## FY2018

➤ **Disposal of ~66.69% issued shares of HHI completed on 4 Apr 2018**

出售持有的約66.69%合和公路基建有限公司已發行股份的交易，已在2018年4月4日完成

- **Received net cash proceeds of ~HK\$9b and recognised post-tax net gain ~HK\$5.1b**

已收取淨現金約港幣90億元及錄得稅後淨溢利約港幣51億元

➤ **Net profit before fair value gain of completed investment properties up 380% yoy to HK\$6,405m, mainly due to gain on disposal of HHI**

不計及已落成投資物業公平值收益的淨溢利，按年上升380%至港幣64.05億元，主要來自出售合和公路基建的溢利

➤ **Core profit<sup>^</sup> down 4% yoy to HK\$1,285m (HK\$1.48/share), mainly because investment properties, hospitality and treasury income growth offset by fall in (i) toll road contribution given HHI Disposal; (ii) Hopewell New Town profit given tightening policies; (iii) Heyuan power plant profit shared**

核心溢利按年下跌4%至港幣12.85億元（每股港幣1.48元），主要由於(i)出售合和公路基建而令收費公路的溢利貢獻減少；(ii)政策收緊令合和新城溢利下跌；(iii)河源電廠分佔溢利下跌等因素抵銷了投資物業、酒店與餐飲及庫務收入增長

<sup>^</sup> Profit attributable to owners of the Company ex-fair value gain of completed investment properties and profit from en bloc sale of entire project

## FY2018

- **2<sup>nd</sup> interim dividend HK 88 cents per share**  
第二次中期股息每股港幣88仙
  - **2<sup>nd</sup> interim dividend in lieu of final dividend with effect from FY18**  
由2018財年起，派發第二次中期股息以取代末期股息
- **Investment properties and hospitality EBIT up 6% yoy to HK\$917m**  
投資物業和酒店及餐飲的除利息及稅項前溢利按年上升6%至港幣9.17億元
- **Panda Hotel's total revenue rose 11% yoy to HK\$339m due to increase in room and F&B revenues**  
悅來酒店的客房和餐飲收入增加，帶動總收入按年上升11%至港幣3.39億元
- **Hopewell New Town booked RMB269m sales, down 62% yoy given (i) higher base in FY17; (ii) tightening policies in PRC property market**  
合和新城的銷售入賬按年下跌62%至人民幣2.69億元，由於(i)2017財年的基數較高；(ii)內地房地產市場的政策收緊
- **Net cash ~HK\$9b as at 30 Jun 2018**  
在2018年6月30日持有淨現金約港幣90億元

## Upcoming: FY2019 & Beyond

- **Target to distribute 90%-100% of core profit<sup>^</sup> on a full year basis as dividends**  
目標派發按全年計核心溢利的90%-100%為股息
  - **In the years before Hopewell Centre II opens<sup>#</sup>**  
在合和中心二期開業前
- **Change of financial year end date from 30-Jun to 31-Mar, following publication of results for the year ended 30 Jun 2018**  
在公布截至2018年6月30日的全年業績後，財政年度結算日將由6月30日改為3月31日
- **E-Max under evolution, expansion of upmarket fashion outlet on B1/F opened by phase since Jul 2018**  
E-Max正在蛻變，擴建為高級服裝特賣場的B1樓層已於2018年7月起分階段開業
  - **Target E-Max's rental income to grow 50% in FY20 vs FY16**  
E-Max在2020財年的目標租金收入相比2016財年增長50%
- **Hopewell Centre II's construction advancing at full steam**  
合和中心二期的建築工程全速推進
  - **Site formation and foundation works target to complete in 2019**  
目標地盤平整及地基工程在2019年完成
  - **Construction targets to complete by end of 2021**  
目標建築工程在2021年底前完成

<sup>^</sup> Profit attributable to owners of the Company ex-fair value gain of completed investment properties and profit from en bloc sale of entire project

<sup>#</sup> Barring unforeseen circumstances

## Upcoming: FY2019 & Beyond

- **153-167 QRE envisions to commence operation in 2022**  
皇后大道東153-167號項目預估在2022年開始營運
  - **Demolition works started in May 2018. Planning application to build a commercial property was submitted to Town Planning Board in May 2018**  
已在2018年5月開展拆卸工程，並向城規會提交興建商業大廈的規劃申請
  
- **Hill Side Terrace Cluster: pending approval from Town Planning Board on the preservation cum development plan**  
正等待城規會審批山坡臺建築群寓保育於發展的規劃申請
  
- **Hopewell New Town: continue to monitor market closely before taking further initiatives**  
合和新城項目：將繼續密切留意市場發展，以備策略調整
  - **Given current tightening policies in PRC property market**  
鑑於目前內地房地產市場的政策收緊

# Disposed ~66.69% Issued Shares of HHI<sup>N1</sup>

(completed 4 Apr 2018)

- to Shenzhen Investment Int'l Capital Holdings Infrastructure Co Ltd

向深圳投控國際資本控股基建有限公司出售合和公路基建有限公司約66.69%已發行股份(交易已在2018年4月4日完成)

■ **Received net cash proceeds of ~HK\$9b and recognised post-tax net gain ~HK\$5.1b**

已收取淨現金約港幣90億元及錄得稅後淨溢利約港幣51億元

Use of Net Sale Proceeds (present plan) 按現時計劃，出售淨收益將用於	HK\$m 港幣(百萬元)
<b>Special cash interim dividend</b> (paid on 2 May 2018) 特別中期股息(已於2018年5月2日派發)	~1,740
<b>Funding for Hopewell Centre II, Hill Side Terrace Cluster and 153-167 QRE developments</b> 為合和中心二期、山坡臺建築群項目及皇后大道東153-167號重建項目提供資金	5,000
<ul style="list-style-type: none"> <li>• <b>Fund New Investment Opportunities</b><sup>N2</sup> 為新投資項目提供資金               <ul style="list-style-type: none"> <li>- in both HK and the Mainland, in particular Guangdong-HK-Macao Bay Area</li> <li>於香港及內地，尤其粵港澳大灣區</li> </ul> </li> <li>• <b>Strengthen general working capital and cash position</b> (meantime pending the identification of New Investment Opportunities) 進一步增強一般營運資金及現金水平(在覓得新投資機會之前)</li> </ul>	<b>The Balance</b> 結餘

N1: For details, please refer to the Joint Announcement and Circular dated 29 December 2017 and 22 January 2018 respectively

N2: Together with other funding resources available to HHL

# Change of Financial Year End Date from 30-Jun to 31-Mar

(announced 8 May 2018)

財政年度結算日由6月30日改為3月31日（於2018年5月8日公布）

## ■ Following the publication of results for the year ended 30 Jun 2018

在公布截至2018年6月30日的全年業績後生效

## ■ Reasons: 原因：

### ◆ Rationalize and more efficiently use resources to prepare results announcement

合理配置資源並提高編製業績公告的資源利用效率

- Avoid competition of resources with other Cos. under peak reporting season  
避免於財報高峰期間與其他上市公司爭奪市場的外部服務資源
- Remove uncertainty from variation in Chinese New Year Holiday on workflow  
消除因中國農曆新年日期浮動而為工作流程帶來的壓力

### ◆ Promote “Work-life Balance” of employees

推廣僱員的「工作與生活平衡」

## ■ FY19: Apr 2018 to Mar 2019

2019財年：2018年4月至2019年3月

## FY20: Apr 2019 to Mar 2020

2020財年：2019年4月至2020年3月

## FY21: Apr 2020 to Mar 2021

2021財年：2020年4月至2021年3月

# Results Highlights 業績摘要

(HK\$ in million) (港幣百萬元)				
For the year ended 30-Jun 截至6月30日止年度	2017	2018	% change 變動	Major reasons for change 變動的主要原因
<b>EBIT (before gain on disposal of HHI)</b> 除利息及稅項前溢利 (不計及出售合和公路基建的溢利)	<b>1,994</b>	<b>1,850</b>	<b>-7%</b>	(i) ↑ Investment properties & hospitality (ii) ↑ Treasury income (cash proceeds from HHI Disposal) <u>offset by</u> (iii) ↓ Toll road given HHI Disposal (completed 4 Apr 2018) (iv) ↓ Hopewell New Town profit & Heyuan power plant profit shared
<b>Core profit<sup>^</sup></b> 核心溢利	<b>1,334</b>	<b>1,285</b>	<b>-4%</b>	
<b>Post-tax net gain on disposal of HHI</b> 出售合和公路基建稅後淨溢利	<b>-</b>	<b>5,120</b>	<b>n/a</b>	
<b>Net profit before fair value gain of completed investment properties</b> 不計及已落成投資物業公平值收益的淨溢利	<b>1,334</b>	<b>6,405</b>	<b>+380%</b>	(i) Gain on disposal of HHI <u>offset</u> (ii) Reasons for ↓ EBIT above
<b>Profit attributable to owners of the Company</b> 公司股東應佔溢利	<b>1,961</b>	<b>8,969</b>	<b>+357%</b>	

<sup>^</sup> Profit attributable to owners of the Company ex-fair value gain of completed investment properties and profit from en bloc sale of entire project



(HK\$ in million) (港幣百萬元)

For the year ended 30-Jun 截至6月30日止年度

**Continuing operations: 持續營運的業務**

	Revenue 收入			EBIT <sup>N1</sup> 除利息及稅項前溢利		
	2017	2018	yoy	2017	2018	yoy
<b>Investment properties and hospitality</b> 投資物業和酒店及餐飲						
Property letting and management 物業租務及管理	1,149	1,176		768	790	
Hotel, restaurant and catering operation 酒店、餐廳及餐飲營運	465	534		96	127	
sub-total 小計	1,614	1,710	+6%	864	917	+6%
Property development 物業發展	1,605	799	-50%	434	272	-37%
Power plant 電廠	833	1,009	+21%	32	4	-88%
Treasury income 庫務收入	75	110	+47%	75	110	+47%
Others 其他	-	-		(131)	(131)	-
<b>Continuing operations total</b> 持續營運合計	4,127	3,628	-12%	1,274	1,172	-8%
<b>Discontinued operation: 已停止營運的業務</b>						
Toll road investment 收費公路投資	2,463	1,974	-20%	720	678	-6%
<b>Revenue / EBIT</b> 收入/除利息及稅項前溢利	6,590	5,602	-15%	1,994	1,850	-7%

	Results 業績		
	2017	2018	yoy
<b>Earnings before interest and tax</b> 除利息及稅項前溢利	1,994	1,850	
Finance costs 財務成本	(12)	(17)	
Fair value gain of completed investment properties 已落成投資物業公平值收益	627	2,564	
Post-tax net gain on disposal of HHI 出售合和公路基建稅後淨溢利	-	5,120	
<b>Profit before tax</b> 除稅項前溢利	2,609	9,517	
Taxation (from continuing and discontinued operations) 稅項(來自持續及已停止營運的業務)	(386)	(314)	
<b>Profit for the year</b> 本年度溢利	2,223	9,203	
Minority interests 少數股東應佔溢利	(262)	(234)	
<b>Profit attributable to owners of the Company</b> 公司股東應佔溢利	1,961	8,969	+357%
<b>Core Profit</b> <sup>N2</sup> 核心溢利	1,334	1,285	-4%

N1: These figures represent EBIT of the Company and its subsidiaries plus net profits (after interest and tax) shared from JVs

N2: Profit attributable to owners of the Company ex-fair value gain of completed investment properties and profit from en bloc sale of entire project

# Financial Highlights

## 財務摘要

For the year ended 30-Jun 截至6月30日止年度	2017	2018	% change 變動(%)	
<b>EPS (HK\$)</b> 每股溢利 (港元)	<b>2.25</b>	<b>10.31</b>	<b>+358%</b>	
<b>DPS (HK\$)</b> 每股股息 (港元)	<b>Interim:</b> 中期	<b>0.55</b>	<b>1<sup>st</sup> Interim:</b> 第一次中期	<b>0.55</b> <span>paid on 12-Mar-2018</span>
	<b>Special Interim:</b> 特別中期	<b>-</b>	<b>Special Interim (HHI Disposal):</b> 特別中期 (出售合和公路基建)	<b>2.00</b> <span>paid on 2-May-2018</span>
	<b>Final:</b> 末期	<b>0.75</b>	<b>2<sup>nd</sup> Interim:</b> 第二次中期	<b>0.88</b>
	<b>Special Final:</b> 特別末期	<b>0.45</b>		
	<b>Total:</b> 合計	<b>1.75</b>	<b>Total:</b> 合計	<b>3.43</b>

# HHL's Dividend & Earnings History



## 合和實業的股息及溢利往績

- **Target to distribute 90%-100% of core profit<sup>^</sup> on a full year basis as dividends**

目標派發按全年計核心溢利的90%-100%為股息

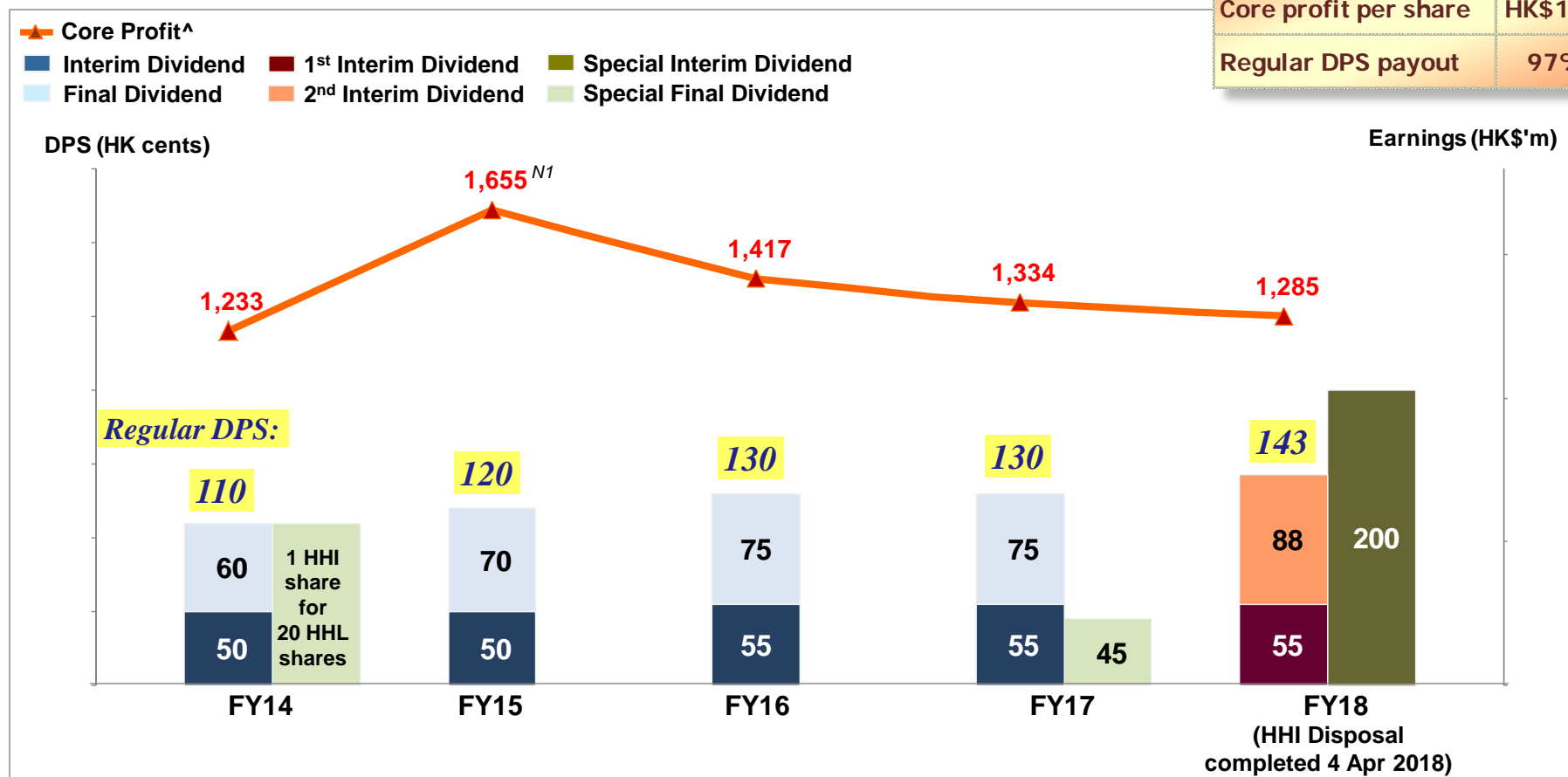
- ◆ **In the years before Hopewell Centre II opens<sup>#</sup>**

在合和中心二期開業前

- **2<sup>nd</sup> interim dividend in lieu of final dividend with effect from FY18**

由2018財年起，派發第二次中期股息以取代末期股息

FY18	
Core profit per share	HK\$1.48
Regular DPS payout	97%



<sup>^</sup> Net profit ex-fair value gain of completed investment properties and profit from en bloc sale of entire project

<sup>#</sup> Barring unforeseen circumstances

N1: Including Lee Tung Avenue completion gain HK\$120m & 155-167 QRE redevelopment gain HK\$300m

# HHL's Solid Financial Position



## 合和實業穩健的財務狀況

- Adequate funding for projects under development**

足以應付發展中項目的資金需要

- Net cash HK\$8,964m as at 30 Jun 2018**

在2018年6月30日持有淨現金港幣89.64億元

<b>HHL Corporate Level</b> 合和實業企業層面	<b>30-Jun-17</b> HK\$'M	<b>30-Jun-18</b> HK\$'M	<b>Change</b> HK\$'M
<b>Cash</b> 現金	4,036	10,364	+6,328
<b>Available Banking Facilities</b> 可動用銀行貸款額	4,790	3,340	-1,450
<b>Cash + Available Banking Facilities</b> 現金+可動用銀行貸款額	8,826	<b>13,704</b>	+4,878
<b>Net Debt</b> 淨債務			
<b>Net Gearing Ratio# (%)</b> 淨資產負債比率	<b>Net Cash</b> \$1,686m	<b>Net Cash</b> \$8,964m	

# Net debt / Shareholders' equity (exclude equity shared from HHI)

# E-Max's Evolution Showing Success

– Since The Metroplex opened Feb 2014

E-Max的蛻變成功 - 星影匯自2014年2月開業

■ **B1/F fashion outlet expansion: ~100,000sq.ft. opened by phase since Jul 2018**

擴充B1樓層為服裝特賣場：約100,000平方呎，已在2018年7月起分階段開業

◆ **Grand opening of fashion outlet and extensive promotional campaigns in 4Q2018**

在2018年第4季推出全方位宣傳活動，以推廣服裝特賣場隆重開幕

◆ **Indoor amusement park “The Wonderful World of Whimsy” ~30,000sq.ft., plans to open in 4Q2018**

佔地約30,000平方呎的室內遊樂場「歡樂天地」，計劃在2018年第4季開業

■ **4Q2017: signed new lease with ViuTV for total area ~70,000sq.ft. (office: 33,400sq.ft.; E-Max: 36,100sq.ft.) film and TV production studio on G/F**

2017年第4季：與ViuTV簽訂新租約，租用總面積約70,000平方呎 (寫字樓佔33,400平方呎；E-Max地下樓層的影視製作工作室佔36,100平方呎)

◆ **↑ ~50% rental income vs. previous tenants**

相比前租戶，租金收入上升約50%

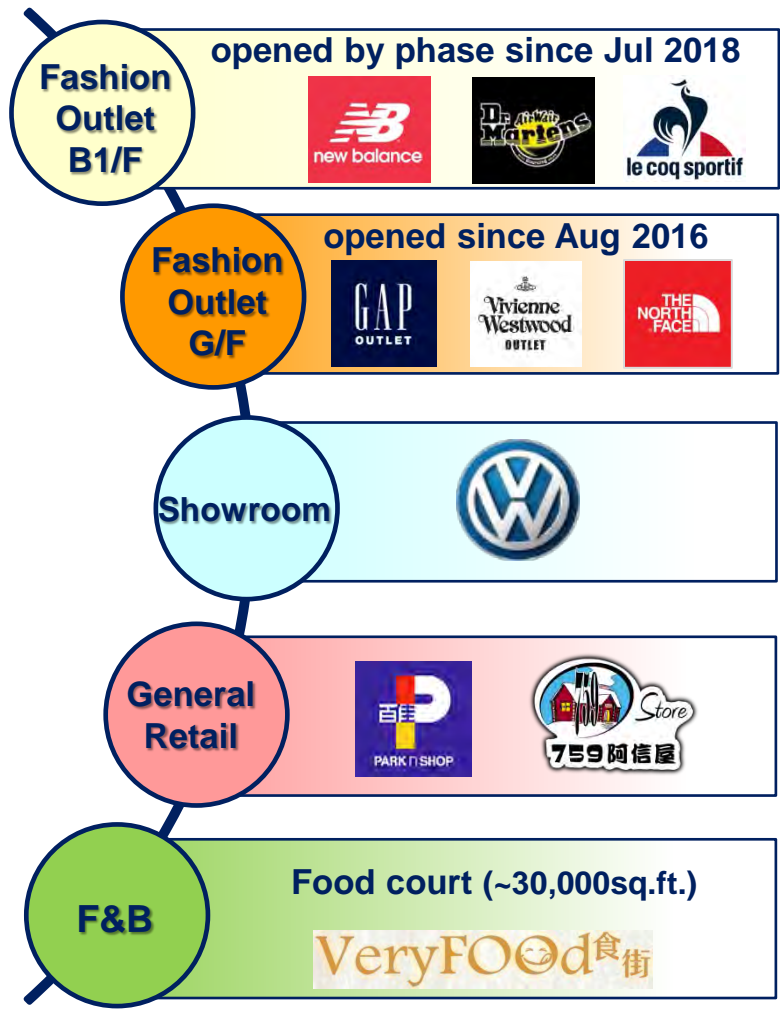
◆ **Full year contribution in FY19**

全年收入貢獻將反映在2019財年

■ **E-Max's rental income targets to grow 50% in FY20 vs FY16**

E-Max在2020財年的目標租金收入相比2016財年增長50%

*Introduced more popular brands and elements:*



# Property Portfolio in Wan Chai

灣仔的物業組合

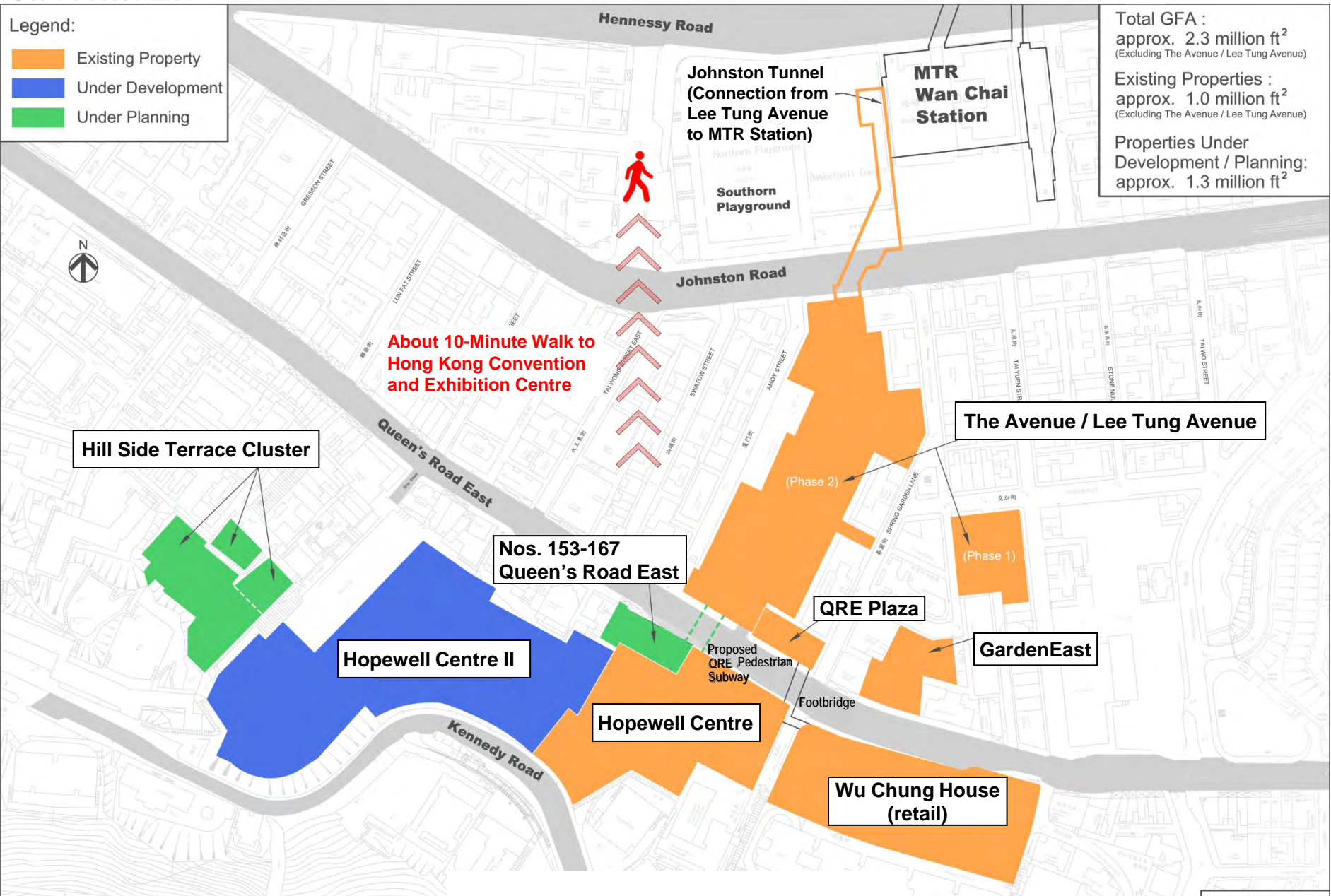
**Legend:**

- Existing Property
- Under Development
- Under Planning

Total GFA :  
 approx. 2.3 million ft<sup>2</sup>  
 (Excluding The Avenue / Lee Tung Avenue)

Existing Properties :  
 approx. 1.0 million ft<sup>2</sup>  
 (Excluding The Avenue / Lee Tung Avenue)

Properties Under  
 Development / Planning:  
 approx. 1.3 million ft<sup>2</sup>



Remarks: Boundary Line for Indication only

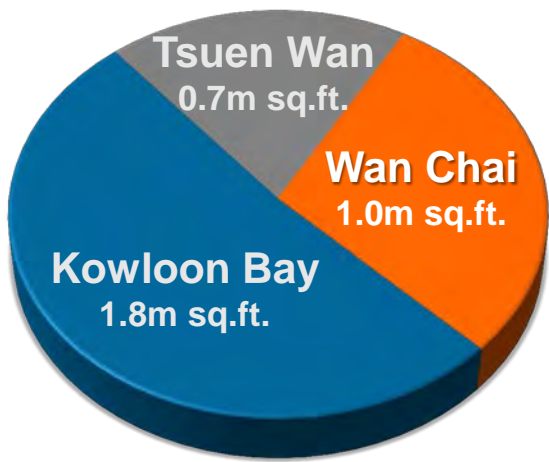
# Investment Properties\* under Development

## - Future Growth Driver

發展中的投資物業：未來的增長動力

### Existing

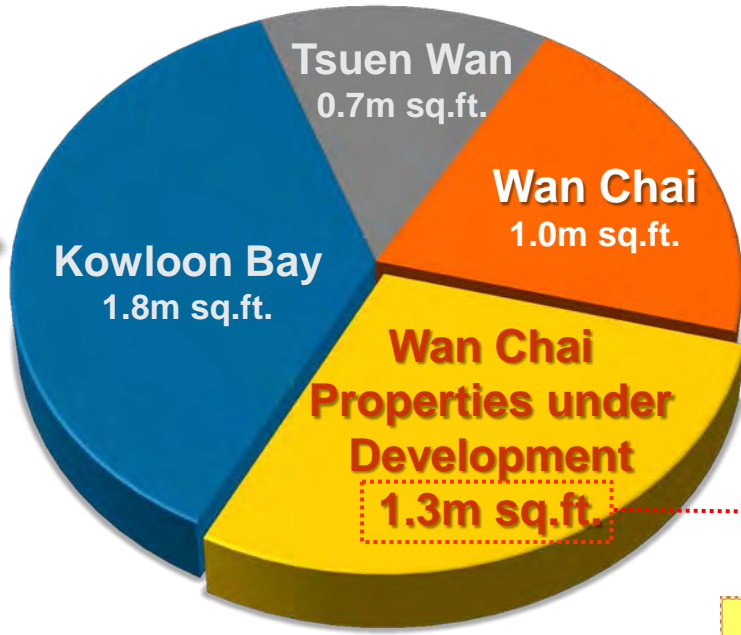
Total GFA: 3.5 million sq.ft.



+37%

### Future

Total GFA: 4.8 million sq.ft.



### Substantial increase in rental income

租金收入將大幅增加

### Prime locations, synergy with existing portfolio

位於黃金地段，並與現有物業組合產生協同效應

	Use	Target completion	GFA <sup>^</sup> (sq.ft.)
Hopewell Centre II	Conference Hotel	2021 (construction)	1,100,000
153-167 QRE	Commercial	2022 (opening)	90,000
Hill Side Terrace Cluster	Residential	under planning	130,000

<sup>^</sup> Under current planning

1.3m

\* Including hotel

# Hopewell Centre II, Wan Chai - Conference Hotel with 1,024 rooms

灣仔合和中心二期：擁有1,024間客房的會議酒店

- **Site formation and foundation works in progress, target to complete in 2019**

正進行地盤平整及地基工程，目標在2019年完成

- **Construction targets to complete by end of 2021**

建築工程目標在2021年底前完成

Total GFA<sup>N1</sup>: 101,600 sq.m.  
 - Hotel: 76,800 sq.m.  
 - Retail: 24,800 sq.m.

## Capex Plan<sup>N1</sup> 資本支出計劃

(HK\$m) (港幣百萬元)	Jul-18 to Mar-19	FY20	FY21 & beyond
Up to 30 Jun 2018			
around \$4,900 <sup>N2</sup>	\$220	\$550	\$4,530

**Planned Total Investment: ~HK\$10b**  
 預計總投資：約港幣100億元



Hopewell Centre II's perspective<sup>N1</sup>

N1: Present planning, subject to change

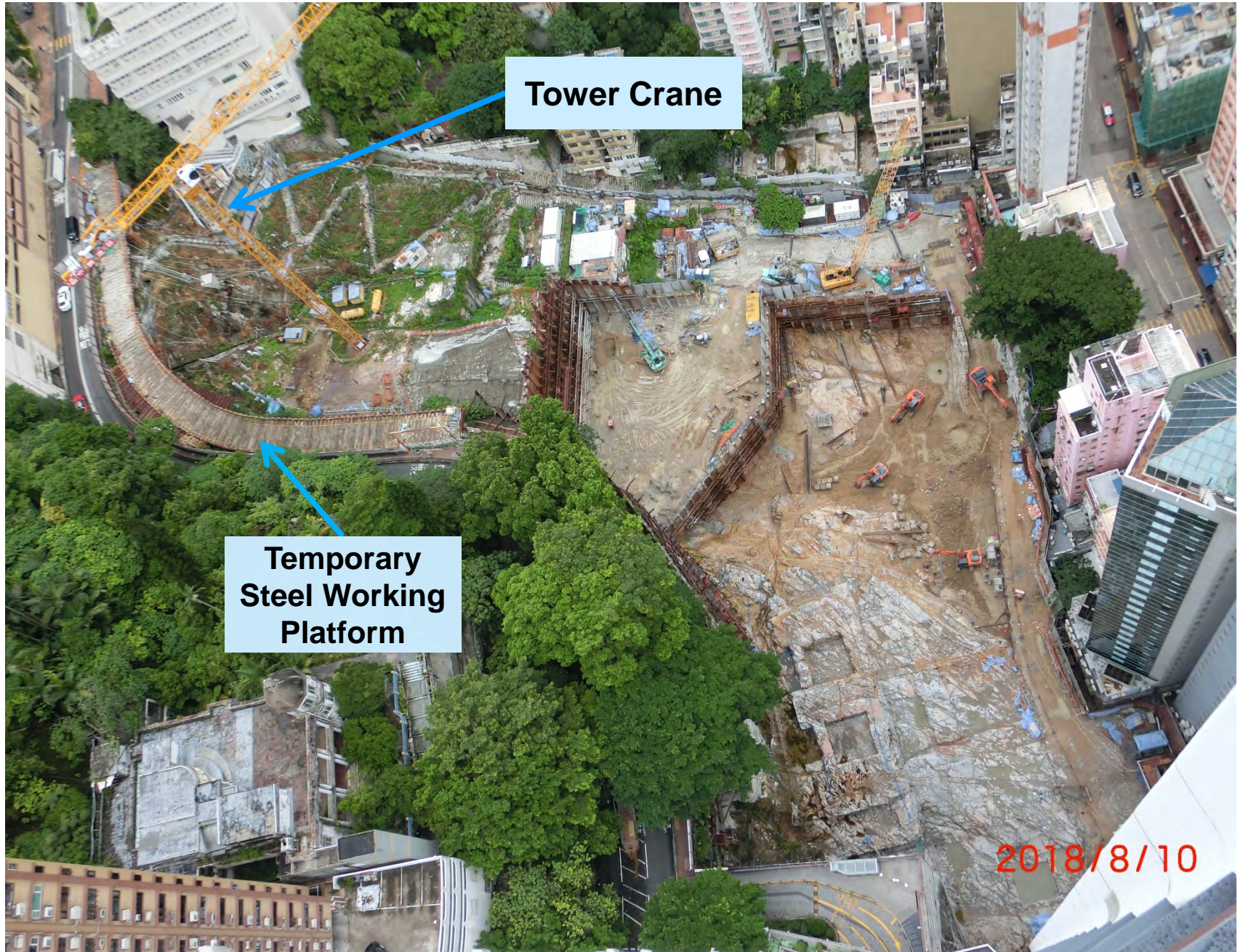
N2: Include land premium HK\$3,726m



# Hopewell Centre II, Wan Chai - Construction Progress



灣仔合和中心二期：工程進度



Tower Crane

Temporary  
Steel Working  
Platform

2018/8/10

# 153-167 Queen's Road East, Wan Chai

灣仔皇后大道東153-167號項目

- **Expanded project 155-167 QRE into 153-167 QRE**  
皇后大道東155-167號項目擴展為皇后大道東153-167號項目
  - ◆ **Through a public auction under the Compulsory Sale for Redevelopment in Jan 2018**  
於2018年1月通過為重建而以強制售賣方式進行公開拍賣
- **Planning application to build a commercial property was submitted to Town Planning Board in May 2018**  
在2018年5月向城規會提交興建商業大廈的規劃申請
- **Demolition works started in May 2018. The project envisions to commence operation in 2022**  
拆卸工程在2018年5月動工，項目預估在2022年開始營運
- **Estimated remaining capex to be spent: ~HK\$460m\***  
預計餘下的資本支出為約港幣4.6億元

Project	155-167 QRE	153-167 QRE	QRE Plaza
	Before Expansion	After Expansion	
Site Area	5,000 sq.ft.	6,700 sq.ft.	5,000 sq.ft.
Development GFA	75,000 sq.ft.	90,000 sq.ft. (estimate)	77,000 sq.ft.

\* Under current planning

# Hill Side Terrace Cluster Comprehensive Development

## 山坡臺建築群綜合發展

- **Propose to restore and preserve Nam Koo Terrace and develop a residential building with open space provision**

建議修復和保育南固臺，同時發展住宅大廈並提供休憩用地

- **Pending approval from Town Planning Board on the preservation cum development plan**

正等待城規會審批寓保育於發展的規劃申請

- **Book cost as at 30 Jun 2018: ~HK\$600m**

在2018年6月30日，賬面成本約港幣6億元

Land Lots owned by HHL 合和實業擁有地段	Site Area (sq.m.) 地盤面積 (平方米)
1-3 Hill Side Terrace	516
1A Hill Side Terrace	585
Nam Koo Terrace	685
Miu Kang Terrace	342
Schooner Street Site	270
<b>Total:</b>	<b>2,398</b>

# Timeline for Projects<sup>N1</sup>

項目進度

Calendar year	2018	2019	2020	2021	2022	>	>	>	>	>
<b>Hong Kong</b>										
<b>Hopewell Centre II (HHL 100%)</b>	Construction works			Construction target completion: end-2021						
<b>153-167 Queen's Road East (HHL 100%)<sup>N2</sup></b>	Demolition and Construction works				Opening: 2022					
<b>Hill Side Terrace Cluster<sup>N3</sup> (HHL 100%)</b>	Pending approval from Town Planning Board on the preservation cum development plan									

N1: Present planning, subject to change

N2: The Group has 100% ownership of 153A-167 QRE and has successfully bought the outstanding unit of 153 QRE in the public auction under the Compulsory Sale for Redevelopment in Jan 2018

N3: Including 1-3 Hill Side Terrace, 1A Hill Side Terrace, Nam Koo Terrace, Miu Kang Terrace and Schooner Street Site

# Investment Properties and Hospitality



## - Healthy Growth in past 5 years

投資物業和酒店及餐飲：過去5年增長穩健

### ■ Revenue ↑6% yoy to HK\$1,710m in FY18

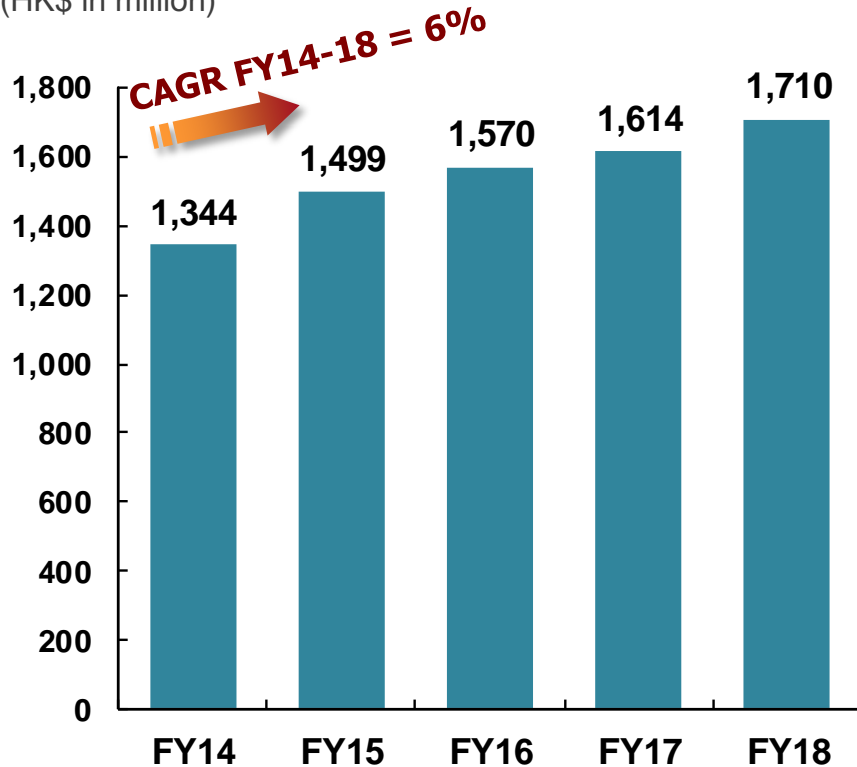
2018財年的收入按年增長6%至港幣17.10億元

### ■ EBIT ↑6% yoy to HK\$917m in FY18

2018財年的除利息及稅項前溢利按年上升6%至港幣9.17億元

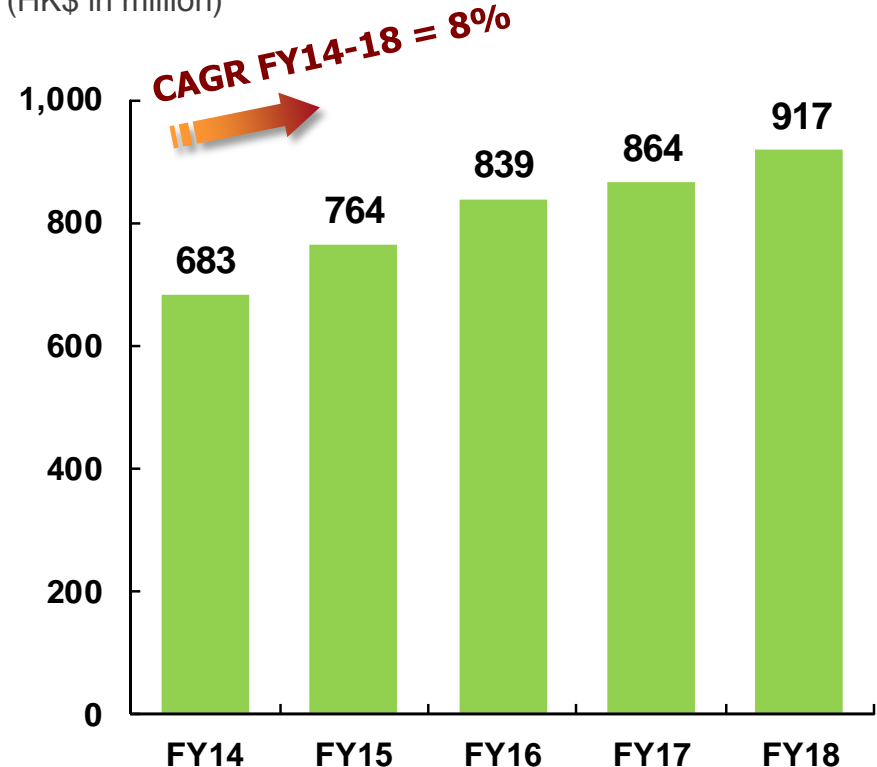
#### Revenue – Investment Properties & Hospitality

(HK\$ in million)



#### EBIT – Investment Properties & Hospitality

(HK\$ in million)



### ■ EBIT up 3% yoy to HK\$790m in FY18

2018財年的除利息及稅項前溢利按年上升3%至港幣7.90億元

#### ◆ Office rental income ↑4% yoy as new tenants moved in at Hopewell Centre

寫字樓租金收入按年上升4%，主要由於新租戶遷入合和中心

### ■ EBIT margin maintained at 67% in FY18 (FY17: 67%)

2018財年的除利息及稅項前溢利率維持在67% (2017財年：67%)

### ■ Expect stable rental income in FY19 vs FY18

預期2019財年租金收入與2018財年相若

#### ◆ Stable office growth to offset drop in retail mainly due to tenant reshuffling in Hopewell Centre

由於寫字樓租金收入平穩增長，將抵銷合和中心租戶重組令零售租金收入下跌的影響

	Average Occupancy Rate <sup>N1</sup>		Average Rental Rate yoy change
	FY17	FY18	
Hopewell Centre	89%	92% <sup>N2</sup>	+2%
KITEC Office	94%	90%	0%
KITEC E-Max	80%	77% <sup>N3</sup>	+6%
Panda Place	98%	97%	+5%
QRE Plaza	96%	98%	+7%
Lee Tung Avenue	96%	95%	-2%
GardenEast (apartments)	93%	91%	+5%

N1: Occupancy rates =  $\frac{\text{Areas already leased \& occupied by tenants} + \text{Areas reserved for specified use} + \text{Areas where leases have been committed but not yet commenced}}{\text{Total lettable area}}$

N2: Occupancy rate of office portion reached 100% subsequent to the new lease signed with AIA Group in 2Q2018

N3: Tenants in B1/F vacated by 1Q2017 for renovation of E-Max's fashion outlet expansion

# Hopewell Centre, Wan Chai

灣仔合和中心

Office 寫字樓

■ **Rental income ↑8% yoy to HK\$289m in FY18 as new tenants moved in**

由於新租戶遷入，2018財年的租金收入按年上升8%至港幣2.89億元

■ **In 2Q2018, signed lease with AIA Group for ~90,000sq.ft.**

在2018年第2季，與友邦保險簽訂租約(約90,000 平方呎)

◆ **Occupancy rate of office reached 100% subsequently**

寫字樓出租率隨即上升至100%

◆ **More footfall will benefit HHL's retail properties in Wan Chai**

人流增加將有助合和實業在灣仔的零售物業

■ **Expect rental uplift by phase when:**

預期租金將分階段提升：

(i) **Hopewell Centre II's site formation and foundation works complete**

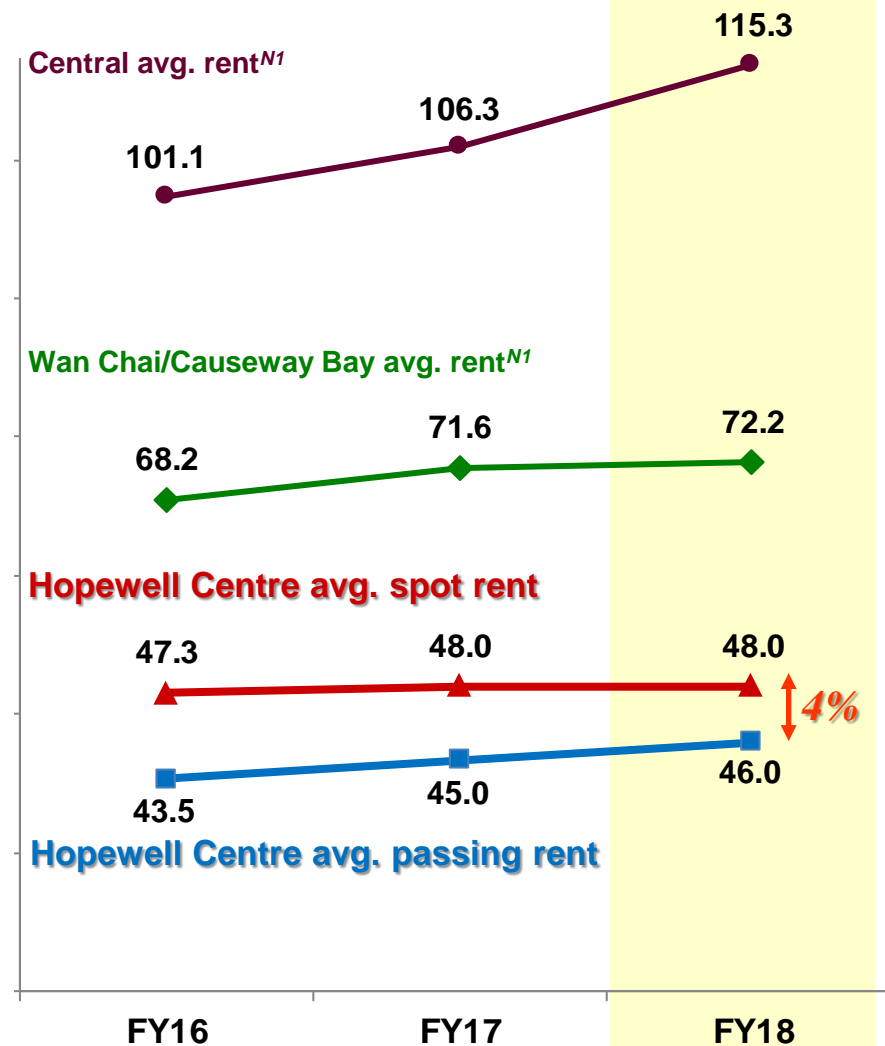
當合和中心二期的地盤平整及地基工程完成後

(ii) **Hopewell Centre II opens, with surroundings further upgraded**

當合和中心二期開業後，進一步優化周邊環境

## Hopewell Centre office spot rent vs peers

(HK\$/sq.ft./month)



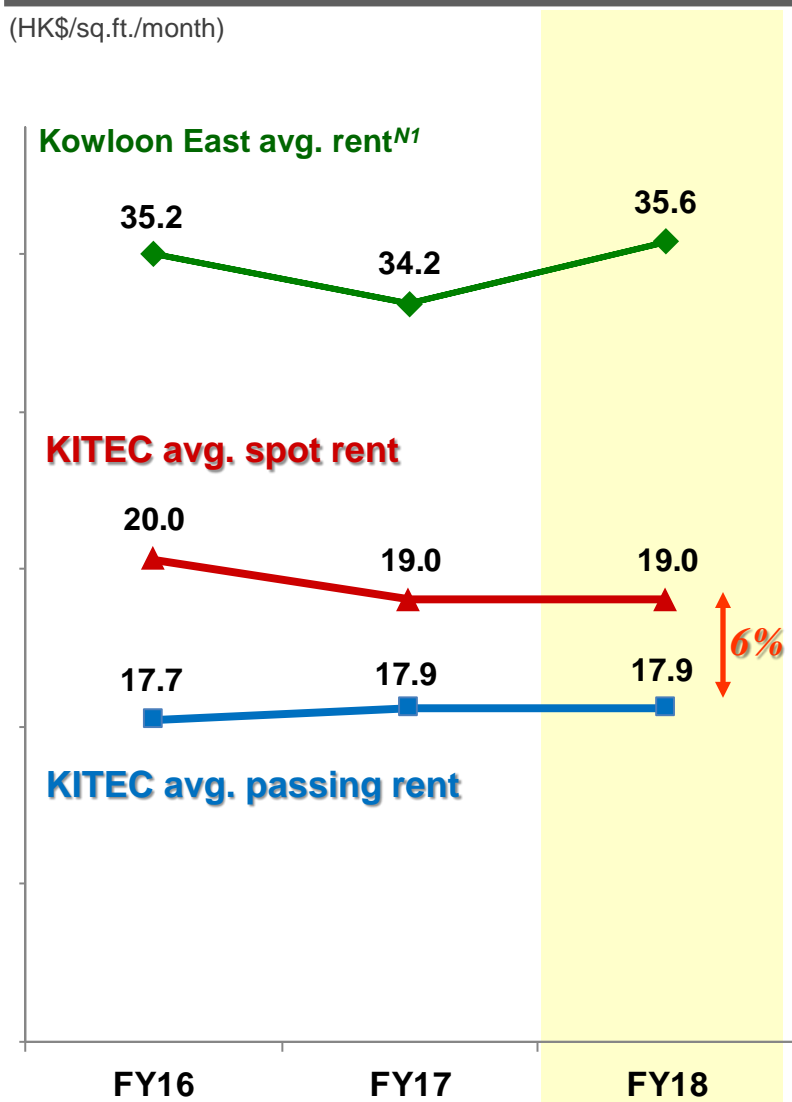
N1: Figures from Rating & Valuation Dept

### Office 寫字樓

- Rental income ↓3% yoy to HK\$137m in FY18 due to tenant reshuffling and increased office supply in Kowloon East**  
 由於租戶重組及九龍東寫字樓的供應量增加，2018財年的租金收入按年下跌3%至港幣1.37億元
- Expect FY19 rental income: mild growth**  
 預期2019財年的租金收入增長溫和
  - New leases with ViuTV and Registration & Electoral Office**  
 與ViuTV及選舉事務處簽訂新租約
- Government: anchor tenant ~271,000 sq.ft. or 36% KITEC's office GFA (30 Jun 2018)**  
 在2018年6月30日，政府部門為主要租戶，租用約271,000平方呎或相等於九展寫字樓樓面面積的36%
- Benefits from Kowloon East's development into CBD2 in the long term**  
 長遠將受惠於九龍東發展為核心商業區的機遇

### KITEC office spot rent vs peers

(HK\$/sq.ft./month)



N1: Figures from Rating & Valuation Dept



# Lee Tung Avenue, Wan Chai - Retail for Rental

- URA:JV (50:50 JV of HHL:Sino Land) of 40:60

灣仔利東街 - 商舖租務, 市建局:合營企業為40:60 (合和實業:信和置業的50:50合營企業)

**Retail GFA: 87,700ft<sup>2</sup>**  
零售商舖總樓面面積: 87,700平方呎

## Johnston Tunnel (connects Lee Tung Avenue to MTR station) opened in Dec 2017

連接利東街與港鐵站的莊士敦隧道已於2017年12月啟用

- ◆ **Enhances connectivity of HHL's Wan Chai property portfolio**

加強連接合和實業在灣仔的物業組合

## Submitted application for QRE Tunnel (connects Lee Tung Avenue and Hopewell Centre)

已提交連接利東街與合和中心的皇后大道東隧道的申請

- ◆ **Obtained support from Land and Development Advisory Committee for premium waiver (qualified for consideration by Executive Council)**

土地及建設諮詢委員會同意豁免補地價 (交由行政會議審議)

## FY18:

**Average occupancy rate: 95%**

**Average rent: ~HK\$61.0/sq.ft.**

2018財年的平均出租率約95%; 平均租金為每平方呎約港幣61.0元



	FY18	yoy change 按年變動	Reasons 原因
<b>Total Revenue</b> 總收入	<b>HK\$339m</b>	<b>+11%</b>	<ul style="list-style-type: none"> <li>• Room revenue ↑7%</li> <li>• F&amp;B revenue ↑17%</li> </ul>
<b>Room Revenue</b> 房間收入	<b>HK\$215m</b>	<b>+7%</b>	<ul style="list-style-type: none"> <li>• Average room rate ↑7% yoy</li> <li>• Average occupancy rate remained high at 97%</li> </ul>
<b>F&amp;B Revenue</b> 餐飲業務收入	<b>HK\$124m</b>	<b>+17%</b>	↑ Banquets

### ■ Cautiously optimistic about HK hotel's industry outlook

對香港酒店業的前景謹慎樂觀

### ■ To maintain competitiveness:

為保持競爭力

#### ◆ Continue to diversify customer mix

繼續多元化住客組合

#### ◆ Refurbishment of guestrooms

翻新客房

- **FY18 revenue ↓62% yoy to RMB269m given (i) higher base in FY17; and (ii) tightening policies in PRC property market**

2018財年的銷售收入按年下跌62%至人民幣2.69億元，由於 (i) 2017財年的基數較高；及 (ii) 內地房地產的政策收緊

	FY16	FY17
<b>Sales Target</b>	<b>85,000 sq.m. (achieved)</b>	
	FY16	FY17
<b>Sales Booking</b>	<b>RMB256m</b>	<b>RMB715m (exceeded target)</b>
		<b>FY18</b>
		<b>RMB269m</b>

- **Given current tightening policies in PRC property market, HHL will continue to monitor the market closely before taking further initiatives**

鑑於目前內地房地產市場的政策收緊，合和實業將繼續密切留意市場發展，以備策略調整

- **MTR Route No. 9 started operation in Dec 2017, an MTR exit near the site opened in Jun 2018**

地鐵9號綫已在2017年12月開始營運，鄰近合和新城的地鐵出口已在2018年6月啟用

- **Continues to explore ways to control construction cost and increase profitability**

將繼續探索不同方法控制建築成本和增加利潤

# HHL's Sound Financial Plan



合和實業：穩健的財務計劃

Projects	Target Completion	Total Investment <sup>N1</sup> HK\$'M	Interest %	HHL's Injection Jul-18 to Mar-19, FY20, FY21 & beyond <sup>N1</sup> HK\$'M
<b><u>Hong Kong</u></b>				
<b>Hopewell Centre II</b>	2021 (construction)	approx. 10,000	100%	5,300 (Jul-18 to Mar-19: 220; FY20: 550; FY21 & beyond: 4,530)
<b>153-167 Queen's Road East</b>	2022 (opening)	approx. 1,200	100% <sup>N2</sup>	460
<b>TOTAL</b>				<b>5,760</b>

N1: Present planning, subject to change

N2: The Group has 100% ownership of 153A-167 QRE and has successfully bought the outstanding unit of 153 QRE in the public auction under the Compulsory Sale for Redevelopment in Jan 2018

## ■ Abundant financial resources well cover the capital need of projects under development:

充裕的財務資源足夠應付發展中項目的資本需要：

### ◆ Healthy cashflow from investment properties and hospitality businesses

投資物業和酒店及餐飲業務帶來穩健的現金流

### ◆ Net cash HK\$8,964m as at 30 Jun 2018

在2018年6月30日，錄得淨現金港幣89.64億元

### ◆ HK\$3.2b and HK\$1.0b committed banking facilities maturing in 2020 and 2022 respectively

已承諾銀行備用貸款港幣32億元和港幣10億元，分別將於2020年和2022年到期

# Hidden Value from Hotels Business

## 酒店業務的隱藏價值

HHL's Balance Sheet Highlights as at 30 Jun 2018	HK\$m
Completed investment properties	32,947
<b>Panda Hotel</b>	<b>302</b>
<b>Properties under development</b>	
<b>Hopewell Centre II</b>	
- Commercial portion	4,754
- Hotel portion	<b>2,654</b>
153-167 Queen's Road East	1,120
Properties for development	838
Interests in JVs (Power Plant and Lee Tung Avenue)	1,843
Other assets/liabilities	8,378
Non-controlling interests	(189)
<b>Shareholders' equity</b>	<b>52,647</b>
	<i>(HK\$60.6/share)*</i>
<b>Total hidden value (hotels business)</b>	<b>5,063</b>
	<i>(HK\$5.8/share)*</i>
<b>Adjusted shareholders' equity (unaudited)</b>	<b>57,710</b>
	<i>(HK\$66.4/share)*</i>

As at 30 Jun 2018 (HK\$)	Panda Hotel	HC II hotel portion
<b>Market value</b>	<b>\$3,238m</b> \$3.6m/room <i>valuation report</i>	<b>\$4,781m</b> \$4.7m/room under development <i>valuation report</i>
<b>Book value</b>	<b>\$302m</b> \$0.3m/room <i>at cost less depreciation</i>	<b>\$2,654m</b> \$2.6m/room under development <i>at cost</i>
<b>Hidden value</b>	<b>\$2,936m</b> \$3.4/share*	<b>\$2,127m</b> \$2.4/share*

**Total: \$5,063m**

**\$5.8/share\***

**5,063**

*(HK\$5.8/share)\**

\* No. of HHL shares in issue: 869.1 million (as of 30 Jun 2018)

# Share Buy-back

股份回購



## ■ Enhancing earnings per share and maximizing shareholders return

提高每股溢利及將股東回報最大化

### HHL Share Buy-back Summary 合和實業股份回購撮要

	No. of HHL Shares Bought Back	Highest Price (HK\$)	Lowest Price (HK\$)	Average Price (HK\$)
FY14 Total	<b>1,228,000</b> (0.1% of issued shares)	<b>26.95</b>	<b>25.85</b>	<b>26.46</b>
FY15 Total	<b>nil</b>	<b>-</b>	<b>-</b>	<b>-</b>
FY16 Total	<b>2,000,500</b> (0.2% of issued shares)	<b>27.55</b>	<b>23.55</b>	<b>25.33</b>
FY17 Total	<b>nil</b>	<b>-</b>	<b>-</b>	<b>-</b>
FY18 Total	<b>1,218,500</b> (0.1% of issued shares)	<b>27.20</b>	<b>26.80</b>	<b>27.01</b>

**~ End of Presentation ~**



# Supplementary Information

補充資料



# Reconciliation of Revenue with Consolidated Statement of Comprehensive Income



收入與綜合全面收益表對賬

(HK\$ in million) (港幣百萬元) For the year ended 30-Jun 截至6月30日止年度	Revenue 收入	
	2017	2018
<b>Revenue per "Results" slide</b> 按照 "合和實業業績" 投影片的財務回顧的收入	6,590	5,602
<b>Less: 減:</b>		
<b>Sales proceeds of Broadwood Twelve properties</b> 樂天峯的銷售收益	(404)	(363)
<b>Treasury income</b> 庫務收入	(75)	(110)
<b>Share of revenues of JVs engaged in</b> 應佔合營企業之收入		
- <b>Toll road</b> 收費公路	(2,463)	(1,974)
- <b>Power plant</b> 電廠	(833)	(1,009)
- <b>Property development and property investment</b> 物業發展及投資物業	(455)	(162)
<b>Turnover per Consolidated Statement of Profit or Loss</b> 按照綜合損益表的營業額	2,360	1,984

# Investment Properties and Hospitality Revenue

投資物業和酒店及餐飲的收入

(HK\$ in million) (港幣百萬元) For the year ended 30-Jun 截至6月30日止年度	Revenue* 收入		yo y change
	2017	2018	按年變動
<b>Investment Properties</b>			
Rental income - office	410	427	+4%
Rental income - retail	335	335	+0%
Rental income - residential	80	74	-8%
Convention and exhibition	65	70	+7%
Air conditioning and management fee	159	168	+6%
Carpark and others	100	102	+2%
<b>Investment Properties sub-total</b>	<b>1,149</b>	<b>1,176</b>	<b>+2%</b>
<b>Hospitality</b>			
Room Revenue	200	215	+7%
Restaurants, catering operations and others	265	319	+20%
<b>Hospitality sub-total</b>	<b>465</b>	<b>534</b>	<b>+15%</b>
<b>Total</b>	<b>1,614</b>	<b>1,710</b>	<b>+6%</b>

\* Excluding tenancies for HHL's own use

# Reasons For Disposal of HHI



(completed 4 Apr 2018)<sup>N1</sup>

出售合和公路基建有限公司股份的原因(交易已在2018年4月4日完成)

- **Significant contributor to Shenzhen Investment Holdings' continuous expansion of the connections in the Guangdong-HK-Macao Bay Area**  
為深圳投控持續擴大粵港澳大灣區聯繫作出重要貢獻
- **Good opportunity for HHL to realise its investment in two highway projects**  
為合和實業收回於兩條高速公路項目的投資的好時機
- **HHL may re-deploy proceeds to:**  
合和實業可運用出售所得款項：
  - ◆ **Funding for Hopewell Centre II, Hill Side Terrace Cluster and 153-167 QRE developments**  
為合和中心二期、山坡臺建築群項目及皇后大道東153-167號重建項目提供資金
  - ◆ **Further strengthen general working capital and cash position**  
進一步增強一般營運資金及現金水平
  - ◆ **Explore new investment opportunities in both HK and the Mainland, in particular the Guangdong-Hong Kong-Macao Bay Area**  
於香港及內地（尤其粵港澳大灣區）探索新的投資機會

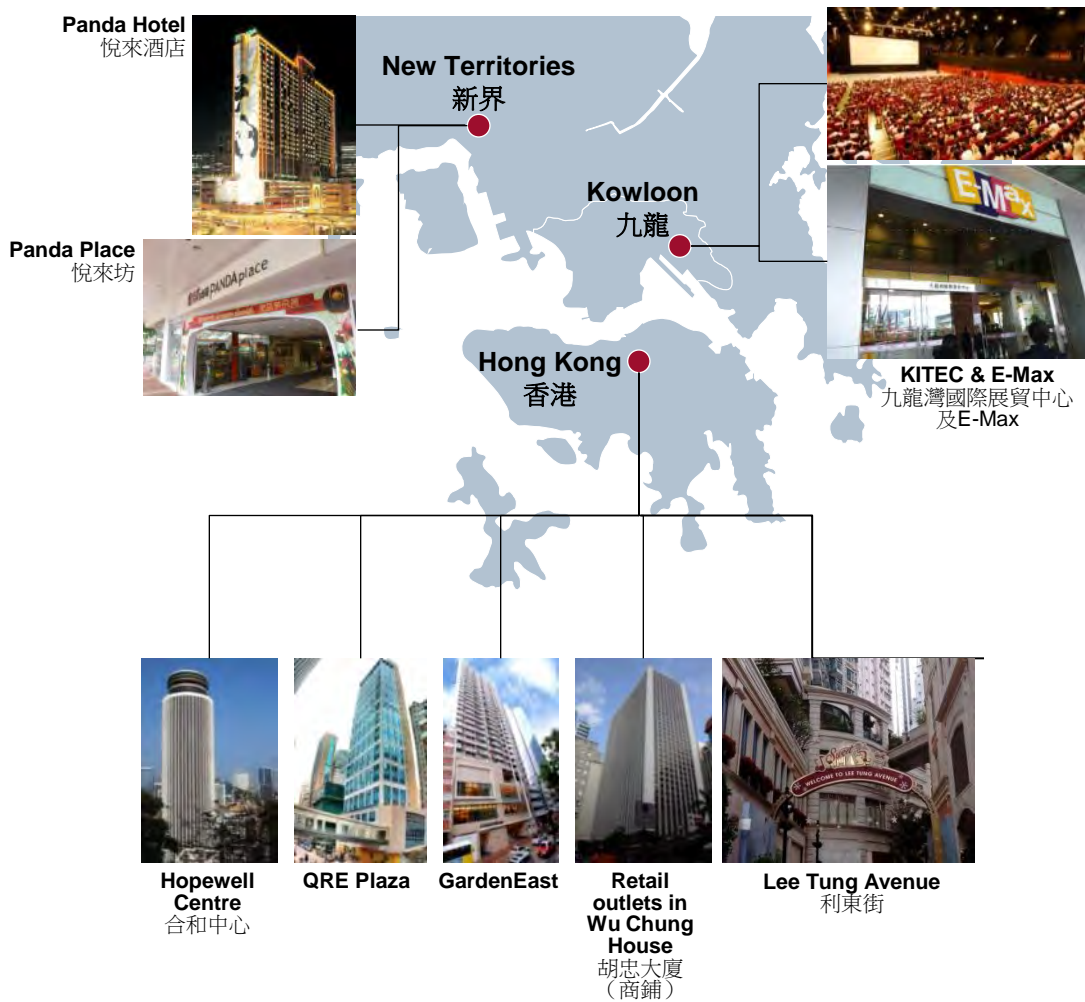
N1: For details, please refer to the

Joint Announcement dated 29 December 2017: <http://www.hkexnews.hk/listedco/listconews/SEHK/2017/1229/LTN20171229605.pdf>

Circular dated 22 January 2018: <http://www.hkexnews.hk/listedco/listconews/sehk/2018/0119/LTN20180119749.pdf>

# Investment Properties

## 投資物業



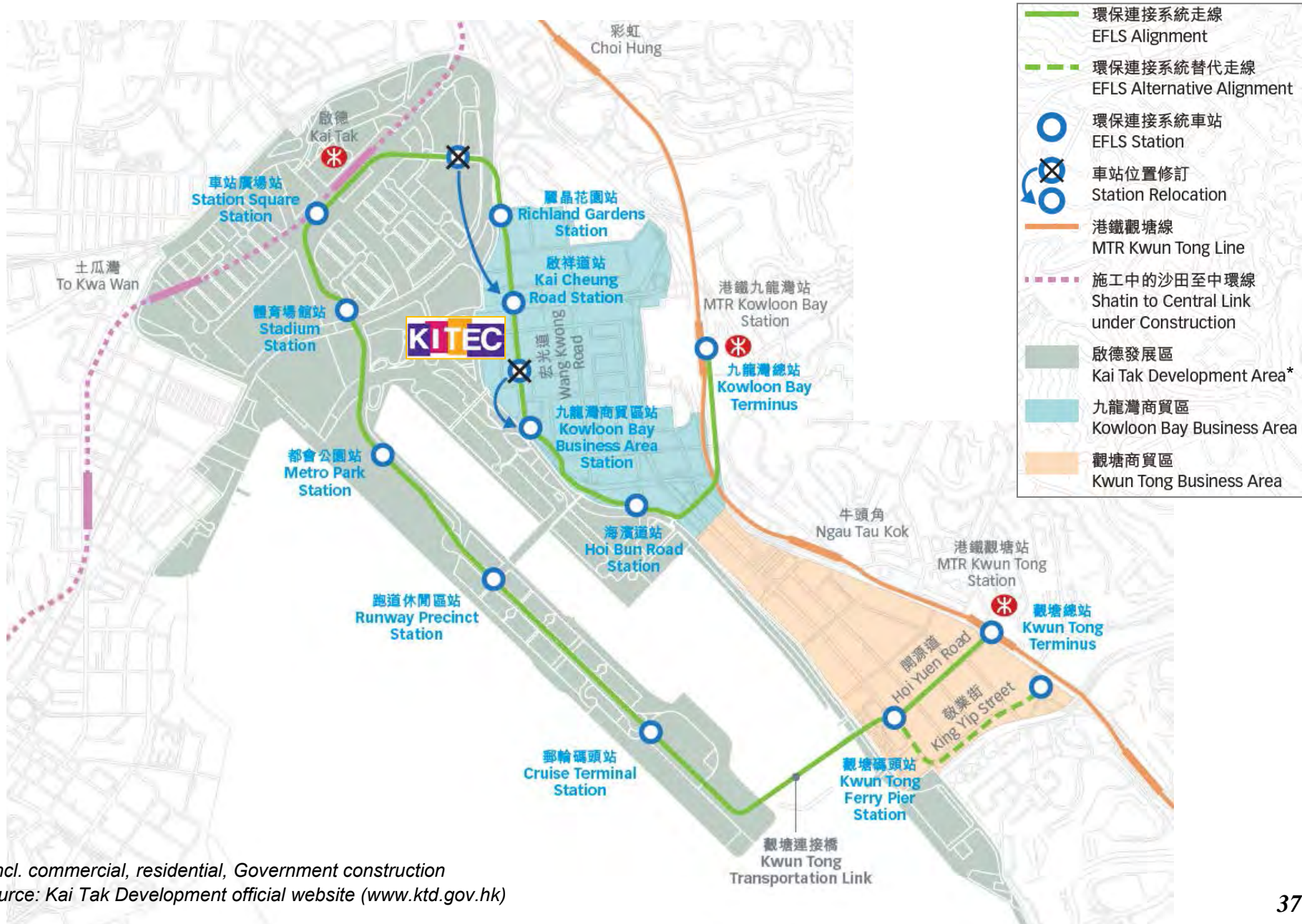
	Approx. GFA (sq.ft.) 概約樓面面積 (平方呎)
<b>Hopewell Centre</b> 合和中心	<b>840,000</b>
<b>KITEC and E-Max</b> 九龍灣國際展貿中心及E-Max <i>(incl. Star Hall 30,000sq.ft. and Metroplex &gt;1,100 seats)</i>	<b>1,775,000*</b>
<b>QRE Plaza</b>	<b>77,000</b>
<b>GardenEast (216 units)</b>	<b>96,500</b>
<b>Lee Tung Avenue (HHL attr.)</b> 利東街 (合和實業應佔)	<b>26,000</b>
<b>Wu Chung House retail</b> 胡忠大廈商舖	<b>17,670</b>
<b>Panda Place</b> 悅來坊	<b>229,000</b>
<b>Panda Hotel (911 rooms)</b> 悅來酒店 (911 間客房)	<b>440,000</b>
<b>Total GFA</b> 總樓面面積	<b>3.5M sq.ft.</b>

\* GFA of office ~750,000 sq.ft.; retail ~760,000 sq.ft.

# Kowloon East Developments Benefit KITEC & E-Max



九龍東發展有利於九展和E-Max



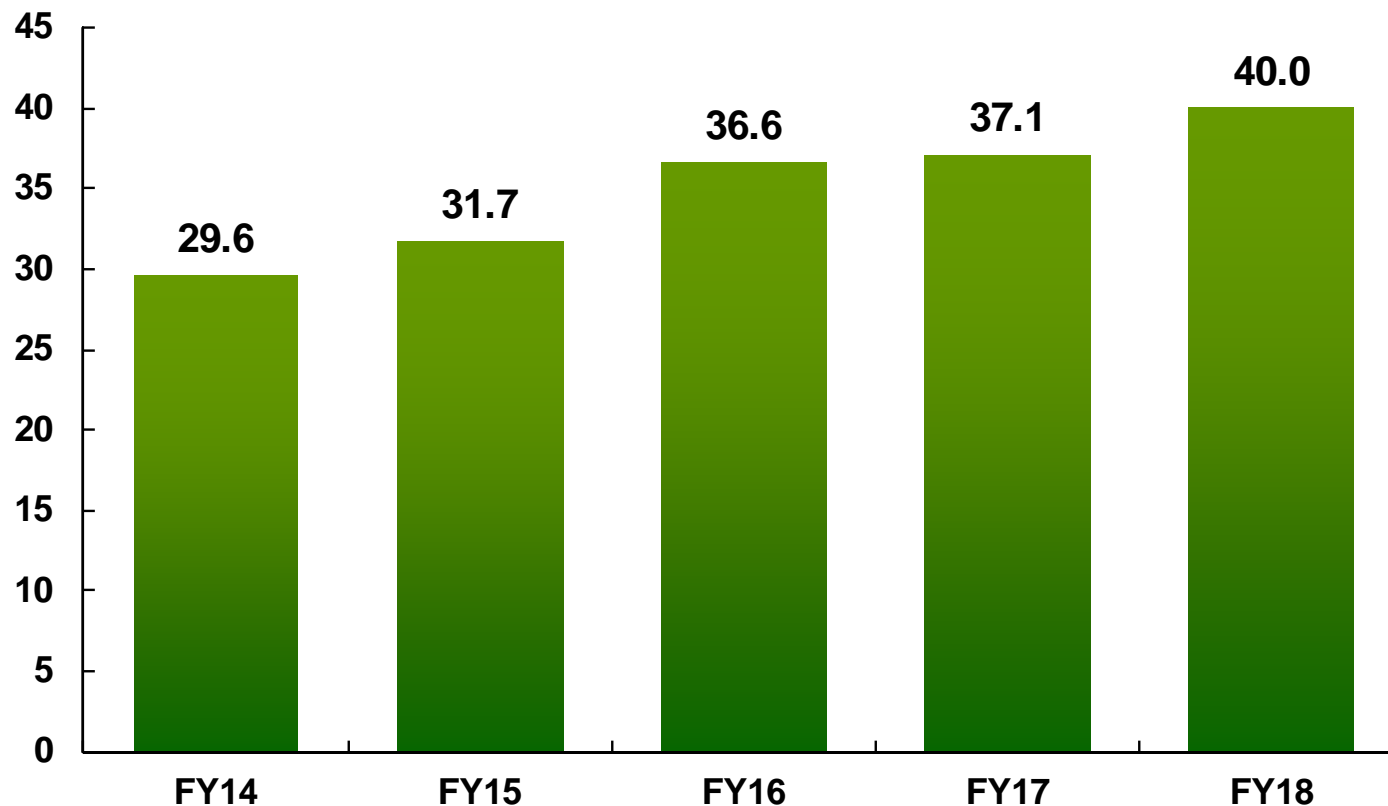
\* Incl. commercial, residential, Government construction  
 Source: Kai Tak Development official website ([www.ktd.gov.hk](http://www.ktd.gov.hk))

### ■ Refining tenant mix has helped lift rental income

優化租戶組合有助提升租金收入

#### Rental Income 租金收入

(HK\$ in million)



Avg. Passing Rent  
per sq.ft.

\$32.9

\$37.1

\$38.4

\$40.3

\$43.0

# Panda Place, Tsuen Wan

荃灣悅來坊

**GFA approx. 229,000ft<sup>2</sup>**  
 總樓面面積約229,000平方呎

■ **FY18:**

2018財年：

- ◆ **Rental income ↑5% yoy to HK\$65m**  
 租金收入按年上升5%至港幣6,500萬元
- ◆ **Average occupancy rate: 97%**  
 平均出租率為97%



# The Avenue, Wan Chai - Residential Sales

- URA:JV (50:50 JV HHL:Sino Land) of 40:60

灣仔禧滙 - 住宅銷售, 市建局:合營企業為40:60 (合和實業:信和置業為50:50的合營企業)

- Total GFA ~731,000sq.ft. (1,275 units)
- Total investment \$9.8b (HHL's 50%: \$4.9b)

## All 1,275 residential units were sold and handed over as at 31 Dec 2017

在2017年12月31日, 已經售出及交收全部1,275個住宅單位

Saleable area	Phase 1	Phase 2	Total
Units sold	179 (103,000 sq.ft.)	1,096 (554,000 sq.ft.)	1,275 (657,000 sq.ft.)
• As % of total units	100%	100%	100%
Avg. selling price	HK\$20,200/sq.ft.	HK\$23,000/sq.ft.	HK\$22,600/sq.ft.



## FY18: Booked HK\$24m revenue (HHL's share after URA sharing) for 1,800 sq.ft. or 1 unit (FY17: HK\$427m for 34,000 sq.ft. or 31 units)

2018財年入賬: 扣除市建局份額後, 合和實業應佔銷售收入份額為港幣2,400萬元, 共1,800平方呎或1個單位 (2017財年入賬: 港幣4.27億元, 共34,000平方呎或31個單位)



# Broadwood Twelve, Happy Valley - Residential

樂天峯, 跑馬地(住宅)

- Total GFA approx. 113,900sq.ft.
- 45-storey luxury apartment building with 76 units



Broadwood Twelve



Broadwood Twelve's location

## Updates 最新概況

- **As at 30 Jun 2018,**  
在2018年6月30日，
  - ◆ **Sold all 76 units, sales proceeds ~HK\$3.5b<sup>N1</sup>**  
全部76個單位已售出，帶來約港幣35億元的收益
    - **8 units and 3 car-parking spaces (HK\$363m net sales revenue) were booked in FY18**  
8個單位及3個車位(淨銷售額為港幣3.63億元)在2018財年入賬
    - **Average selling price of all units sold:**  
已售出所有單位的平均售價：
      - **~HK\$34,400/sq.ft. (saleable area)**  
每平方呎約港幣34,400元(實用面積計)

N1: Includes carpark

# Hopewell New Town, Huadu, Guangzhou

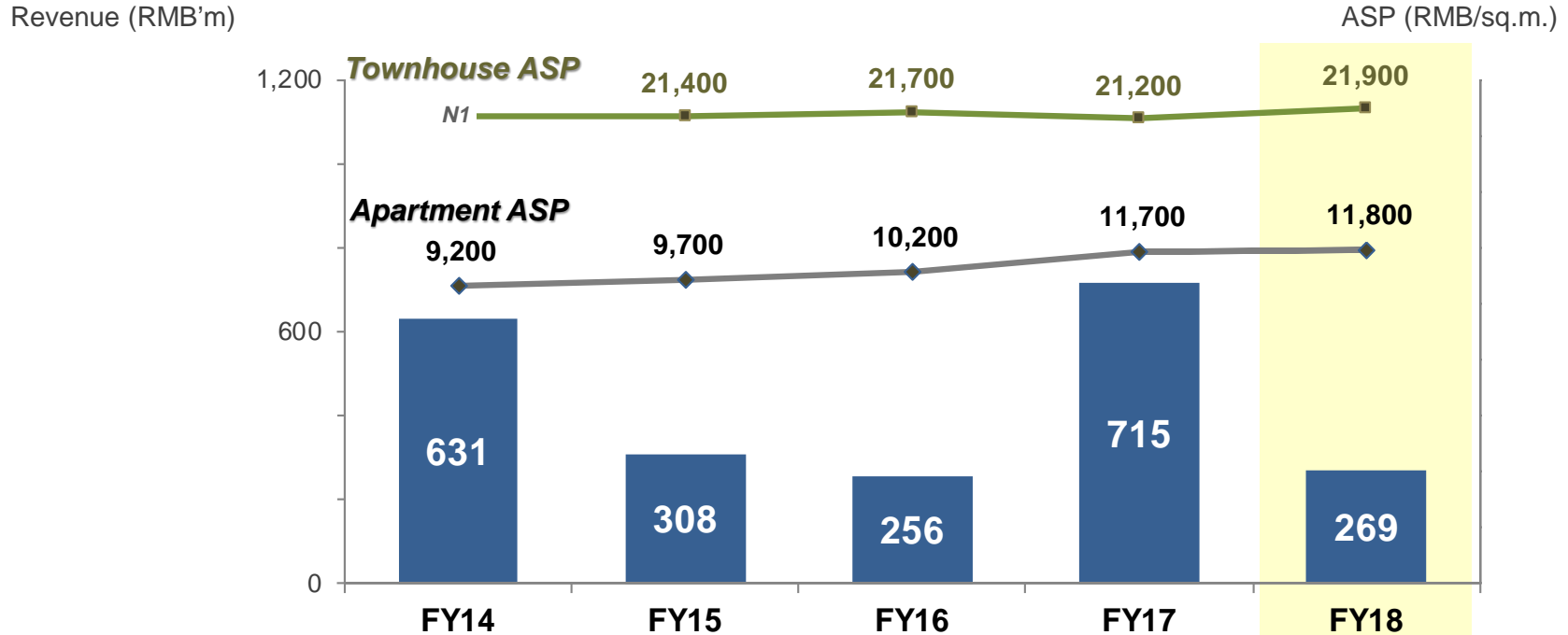
## – Historical Revenue and Average Selling Price



廣州花都合和新城：歷年收入與平均銷售價格

Total Site Area:	~ 610,200 sq.m.
Total Plot Ratio GFA:	~ 1.11m sq.m.
Total GFA sold & booked (as of 30.6.2018):	~ 483,900 sq.m. (44% of total)

### Revenue and Average Selling Price (“ASP”) Booked



#### GFA booked (sq.m.)

	FY14	FY15	FY16	FY17	FY18
Apartment	67,600	29,600	23,200	55,100	9,000
Townhouse	-	900	900	3,200	2,900

#### Units booked

	FY14	FY15	FY16	FY17	FY18
Apartment	695	252	195	486	73
Townhouse	-	3	3	11	10

N1: No sales of townhouse booked in FY14

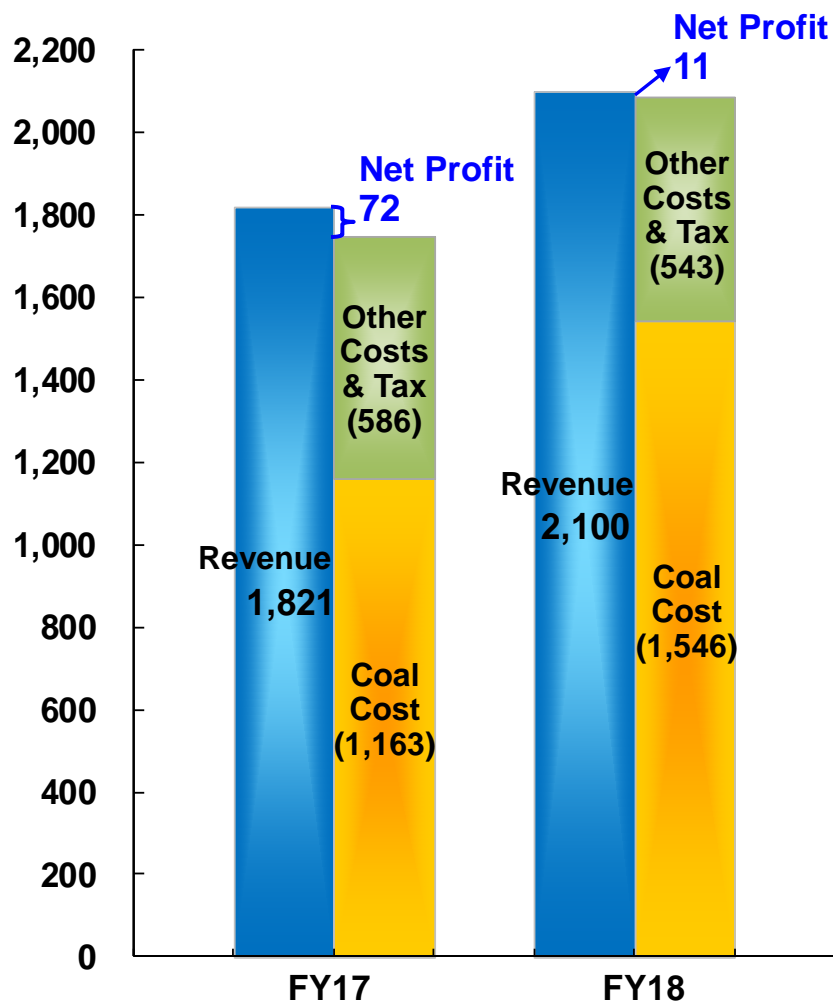
# Heyuan Power Plant, Guangdong

廣東省河源電廠



## P&L Highlight - JV Level 100%

(RMB in million)



## Updates 最新概況

- **Net profit fell to RMB11m in FY18 from RMB72m due to ↓ tariff rate, ↑ cost of coal and ↑ power plant depreciation**  
由於電價下跌、煤炭成本及電廠的折舊上升，淨溢利由人民幣7,200萬元下跌至2018財年的人民幣1,100萬元
- **Accounting estimates of the power plant's useful life and depreciation schedule now under review**  
目前正檢討電廠的使用壽命及折舊表的會計估算
  - ◆ **Expect these probable changes will bring positive impact to net profit in FY19 the earliest**  
若該潛在的方案落實，預期最早對2019財年的淨溢利帶來正面影響
- **Stable cash flow contribution to HHL given solid power demand in Guangdong**  
廣東省電力需求穩定，為合和實業提供穩定的現金流貢獻

# Heyuan Power Plant, Guangdong

廣東省河源電廠



## Key Operating Statistics 主要營運數據

	FY17	FY18
<b>Gross generation</b> 總發電量	<b>5,200 GWh</b> 52億千瓦時	<b>6,100 GWh</b> 61億千瓦時
<b>Utilisation rate<sup>N1</sup></b> 使用率 <b>(hours)</b> (時數)	<b>49%</b> <b>(4,296 hours)</b>	<b>58%</b> <b>(5,081 hours)</b>
<b>Availability factor<sup>N2</sup></b> 可利用率	<b>73%</b>	<b>84%</b>
<b>Average on-grid tariff</b> <b>(with desulphurization, denitrification, dust removal and super low emission) (excl. VAT)</b> 平均上網電價 (包括脫硫、脫硝、除塵及超低排放；但不包括增值稅)	<b>RMB374.2/MWh<sup>N3</sup></b>	<b>RMB364.7/MWh</b>
<b>Approx. coal cost (5,500 kcal/kg)</b> <b>(incl. transport; excl. VAT)</b> 概約煤價 (每公斤5,500大卡) (包括運費；但不包括增值稅)	<b>RMB600/ton</b>	<b>RMB674/ton</b>

$$N1 = \frac{\text{Gross generation during the year under review}}{\text{Total no. of hours during the year under review} \times \text{Installed capacity}}$$

$$N2 = \frac{\text{The no. of hours for electricity generation during the year under review}}{\text{Total no. of hours during the year under review}}$$

N3: Unit 1 – without super low emission tariff during 1 Jul 2016 – 17 Jan 2017

~ **END** ~