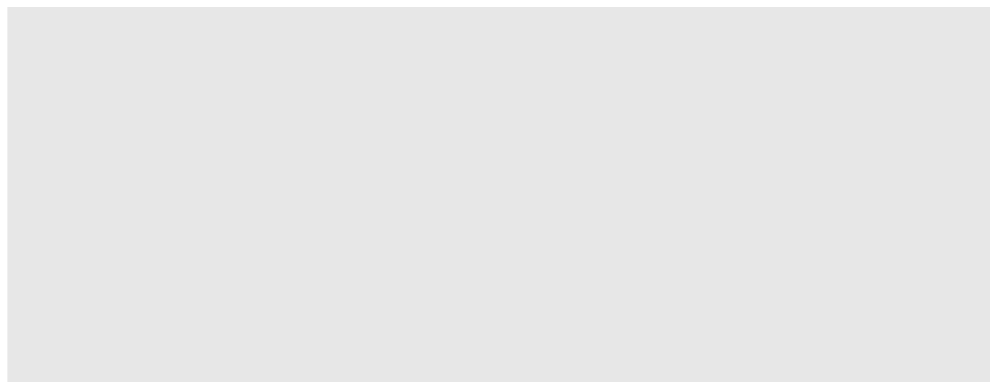




Stock Code: 54

HOPEWELL HOLDINGS LIMITED

合和實業有限公司



INTERIM RESULTS

2018/19

31 October 2018

Presentation slides are available on www.hopewellholdings.com

Key Messages: 1HFY2019 (1 Apr – 30 Sep 2018)



2019財年上半年(2018年4月1日至9月30日)的重點

❖ **First financial year after the change of financial year end date from 30-Jun to 31-Mar**

財政年度結算日由6月30日改為3月31日後的首個財政年度

❖ **Net profit before fair value gain of completed investment properties up 678% yoy to HK\$5.5b, 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678%至港幣55億元，主要來自出售合和公路基建的溢利

❖ **Core profit[^] down 44% yoy to HK\$394m (HK\$0.45/share), mainly because growth in (i) profit from investment properties, hospitality and profit shared from Heyuan Power Plant; (ii) treasury income offset by fall in (i) toll road contribution given HHI Disposal; (ii) profit from Hopewell New Town, Broadwood Twelve and The Avenue**

核心溢利按年下跌44%至港幣3.94億元（每股港幣0.45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)合和新城、樂天峯及囍匯的溢利下跌的因素抵銷了(i)投資物業、酒店與餐飲的溢利及河源電廠分佔溢利的增長；(ii)庫務收入的增長

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

Key Messages: 1HFY2019 (1 Apr – 30 Sep 2018)



2019財年上半年(2018年4月1日至9月30日)的重點

❖ **1st interim dividend HK30 cents per share**

第一次中期股息每股港幣30仙

❖ **EBIT of investment properties and hospitality up 7% yoy to HK\$424m**

投資物業和酒店及餐飲的除利息及稅項前溢利按年上升7%至港幣4.24億元

❖ **E-Max under evolution, expansion of upmarket fashion outlet on B1/F opened by phases since Jul 2018**

E-Max正在蛻變，在B1樓層擴建的高級服裝特賣場，已於2018年7月起分階段開業

❖ **Panda Hotel's EBIT rose 28% yoy to HK\$35m due to increase in room and F&B revenues**

悅來酒店的客房和餐飲收入增加，帶動除利息及稅項前溢利按年上升28%至港幣3,500萬元

Key Messages: 1HFY2019 (1 Apr – 30 Sep 2018)



2019財年上半年(2018年4月1日至9月30日)的重點

- ❖ **Hopewell New Town: no residential sales were launched due to tightening policies in PRC property market. Revenue fell to RMB1m (car park sales) from RMB240m**

合和新城：由於內地房地產市場的政策收緊，2019財年上半年並無推售住宅單位。收入由人民幣2.4億元下跌至人民幣100萬元（來自車位銷售）

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

出售持有約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 cash ~HK\$8.3b as at 30 Sep 2018**

在2018年9月30日持有淨現金約港幣83億元

Key Messages: 2HFY2019 (1 Oct 2018 – 31 Mar 2019) and Beyond



2019財年下半年(2018年10月1日至2019年3月31日)及其後的重點

❖ Target to distribute 90%-100% of core profit[^] on a full year basis as dividends

目標派發按全年計90%-100%的核心溢利為股息

- ❖ **In the years before Hopewell Centre II opens[#]**
直至合和中心二期開業

❖ Target E-Max's rental income to grow 50% in FY20 vs the financial year ended 30 Jun 2016

E-Max在2020財年的目標租金收入相比截至2016年6月30日止財年增長50%

- ❖ **Given E-Max's evolution with the opening of upmarket fashion outlet and introduction of more elements and popular brands**
源於E-Max的蛻變，包括高級時裝特賣場的開幕，並引入更多元素和知名品牌

❖ 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**
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

[^] Profit attributable to owners of the Company ex-fair value gain of completed investment properties and profit from en bloc sale of entire project
[#] Barring unforeseen circumstances

Key Messages: 2HFY2019 (1 Oct 2018 – 31 Mar 2019) and Beyond



2019財年下半年(2018年10月1日至2019年3月31日)及其後的重點

❖ **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

◇ **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 completed in Sep 2018**

拆卸工程已在2018年9月完成

❖ **Hopewell New Town: continues 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

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）

■ 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」

■ The new financial years cover the full year from **1-Apr of a relevant year to 31-Mar of the following year (“FY”)**

新財政年度將涵蓋由相關年度的4月1日至次年3月31日的整個年度（“財年”）

- ◆ **New first half-year period of a FY cover 6-month period from 1-Apr to 30-Sep of a relevant year (“1HFY”)**

新財政年度的上半年將涵蓋由相關年度的4月1日至9月30日止六個月期間（“財年上半年”）

Results Highlights 業績摘要



(HK\$ in million) (港幣百萬元)				
Six months ended 30-Sep 截至9月30日止六個月	2017	2018	% change 變動	Major reasons for change 變動的主要原因
EBIT (before gain on disposal of HHI) 除利息及稅項前溢利 (不計及出售合和公路基建的溢利)	1,068	472	-56%	(i) ↑ Investment properties & hospitality profit, ↑ Heyuan Power Plant profit shared (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, Broadwood Twelve and The Avenue profit
Core profit[^] 核心溢利	709	394	-44%	
Post-tax net gain on disposal of HHI 出售合和公路基建稅後淨溢利	-	5,120	n/a	
Net profit before fair value gain of completed investment properties 不計及已落成投資物業公平值收益的淨溢利	709	5,514	+678%	(i) Gain on disposal of HHI <u>offset</u> (ii) Reasons for ↓ EBIT above
Profit attributable to owners of the Company 公司股東應佔溢利	1,663	6,593	+296%	
Earnings per share (HK\$) 每股溢利 (港元)	1.91	7.59	+297%	

[^] 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)	Revenue 收入			EBIT ^{N1} 除利息及稅項前溢利		
Six months ended 30-Sep 截至9月30日止六個月	2017	2018	yoy	2017	2018	yoy
Continuing operations: 持續營運的業務						
Investment properties and hospitality 投資物業和酒店及餐飲						
Property letting and management 物業租務及管理	576	597		370	386	
Hotel, restaurant and catering operation 酒店、餐廳及餐飲營運	194	231		26	38	
sub-total 小計	770	828	+8%	396	424	+7%
Property development 物業發展	686	1	-100%	224	(11)	n/a
Power plant 電廠	453	494	+9%	1	14	+1300%
Treasury income 庫務收入	41	107	+161%	41	107	+161%
Others 其他	-	-		(56)	(70)	-
Continuing operations total 持續營運合計	1,950	1,430	-27%	606	464	-23%
Discontinued operation: 已停止營運的業務						
Toll road investment 收費公路投資	1,304	24	-98%	462	8	-98%
Revenue / EBIT 收入 / 除利息及稅項前溢利	3,254	1,454	-55%	1,068	472	-56%
				Results 業績		
				2017	2018	yoy
Earnings before interest and tax 除利息及稅項前溢利				1,068	472	
Finance costs 財務成本				(7)	(6)	
Fair value gain of completed investment properties 已落成投資物業公平值收益				954	1,079	
Post-tax net gain on disposal of HHI 出售合和公路基建稅後淨溢利				-	5,120	
Profit before tax 除稅項前溢利				2,015	6,665	
Taxation (from continuing and discontinued operations) 稅項 (來自持續及已停止營運的業務)				(194)	(67)	
Profit for the period 本期溢利				1,821	6,598	
Minority interests 少數股東應佔溢利				(158)	(5)	
Profit attributable to owners of the Company 公司股東應佔溢利				1,663	6,593	+296%
Core Profit^{N2} 核心溢利				709	394	-44%

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

HHL's Dividend & Earnings History



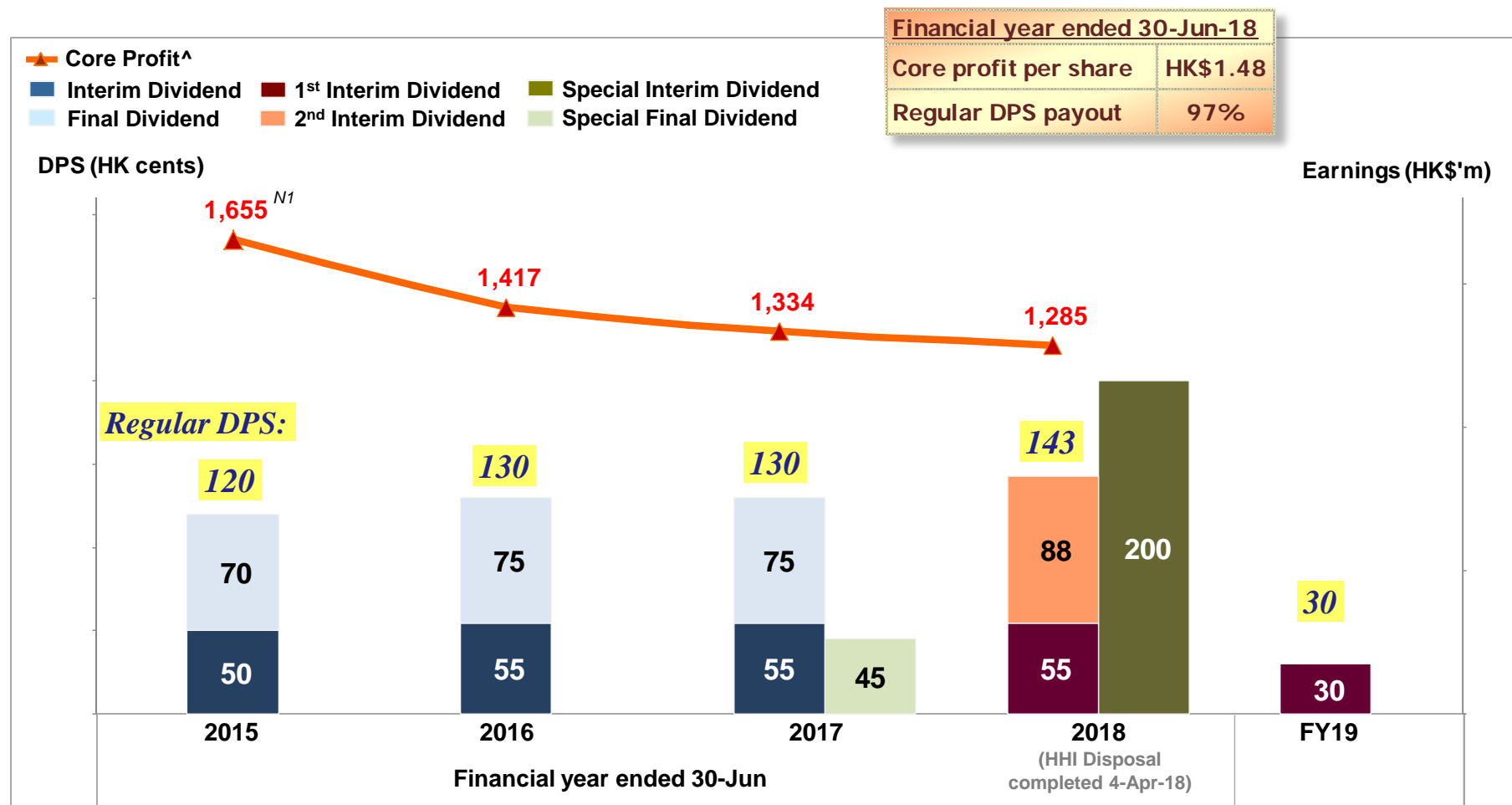
合和實業的股息及溢利往績

■ **Target to distribute 90%-100% of core profit[^] on a full year basis as dividends**

目標派發按全年計90%-100%的核心溢利為股息

◆ **In the years before Hopewell Centre II opens[#]**

直至合和中心二期開業



[^] Net profit ex-fair value gain of completed investment properties and profit from en bloc sale of entire project

[#] 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\$8,275m as at 30 Sep 2018**

在2018年9月30日持有淨現金港幣82.75億元

HHL Corporate Level 合和實業企業層面	30-Jun-18 HK\$'M	30-Sep-18 HK\$'M	Change HK\$'M
Cash 現金	10,364	9,675	-689
Available Banking Facilities 可動用銀行貸款額	3,340	3,340	+0
Cash + Available Banking Facilities 現金+可動用銀行貸款額	13,704	13,015	-689
Net Cash/ (Debt) 淨現金/(債務)	\$8,964m	\$8,275m	
Net Gearing Ratio[#] (%) 淨資產負債比率	Net Cash	Net Cash	

Net debt / Shareholders' equity

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: ~100,000 sq.ft. opened by phases 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

- ◆ **Indoor amusement park “The Wonderful World of Whimsy” ~30,000 sq.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 ~70,000 sq.ft. (office: 33,400 sq.ft.; E-Max: 36,100 sq.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地下樓層的多媒體工作室佔36,100平方呎)

- ◆ **↑ ~50% rental income vs previous tenants (full year contribution in FY19)**
相比前租戶，租金收入上升約50% (全年收入貢獻將反映在2019財年)

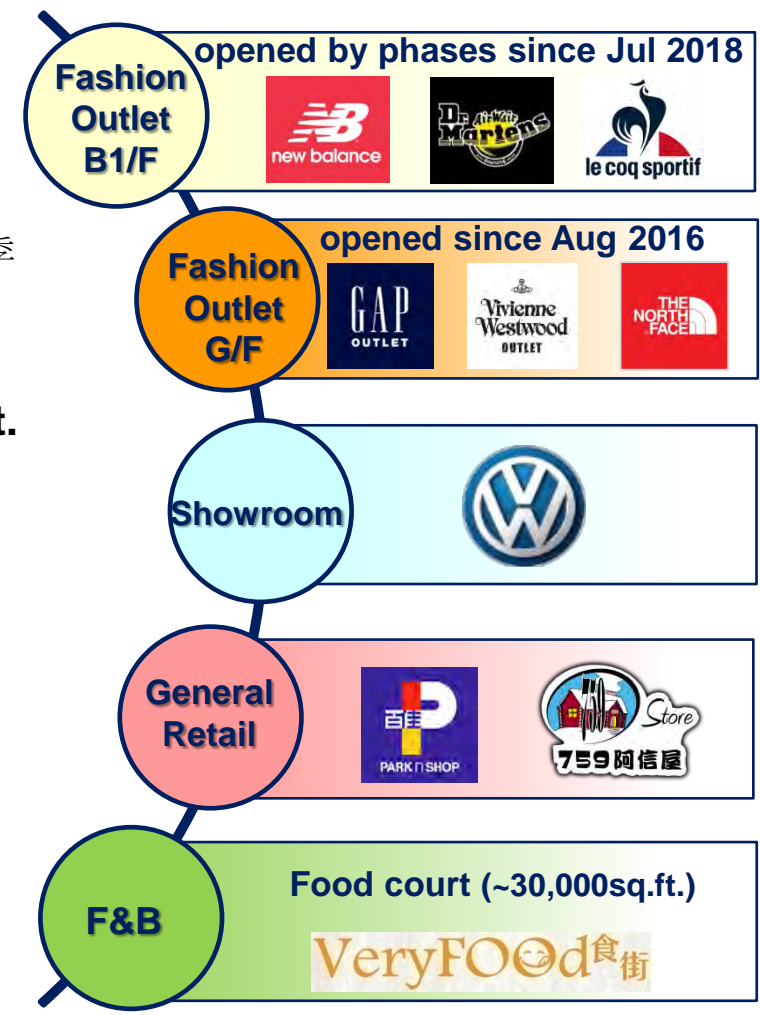
- **E-Max's rental income targets to grow 50% in FY20 vs the financial year ended 30 Jun 2016**

E-Max在2020財年的目標租金收入相比截至2016年6月30日止財年增長50%



Fashion Outlet

Introduced more popular brands and elements:



Property Portfolio in Wan Chai



灣仔的物業組合

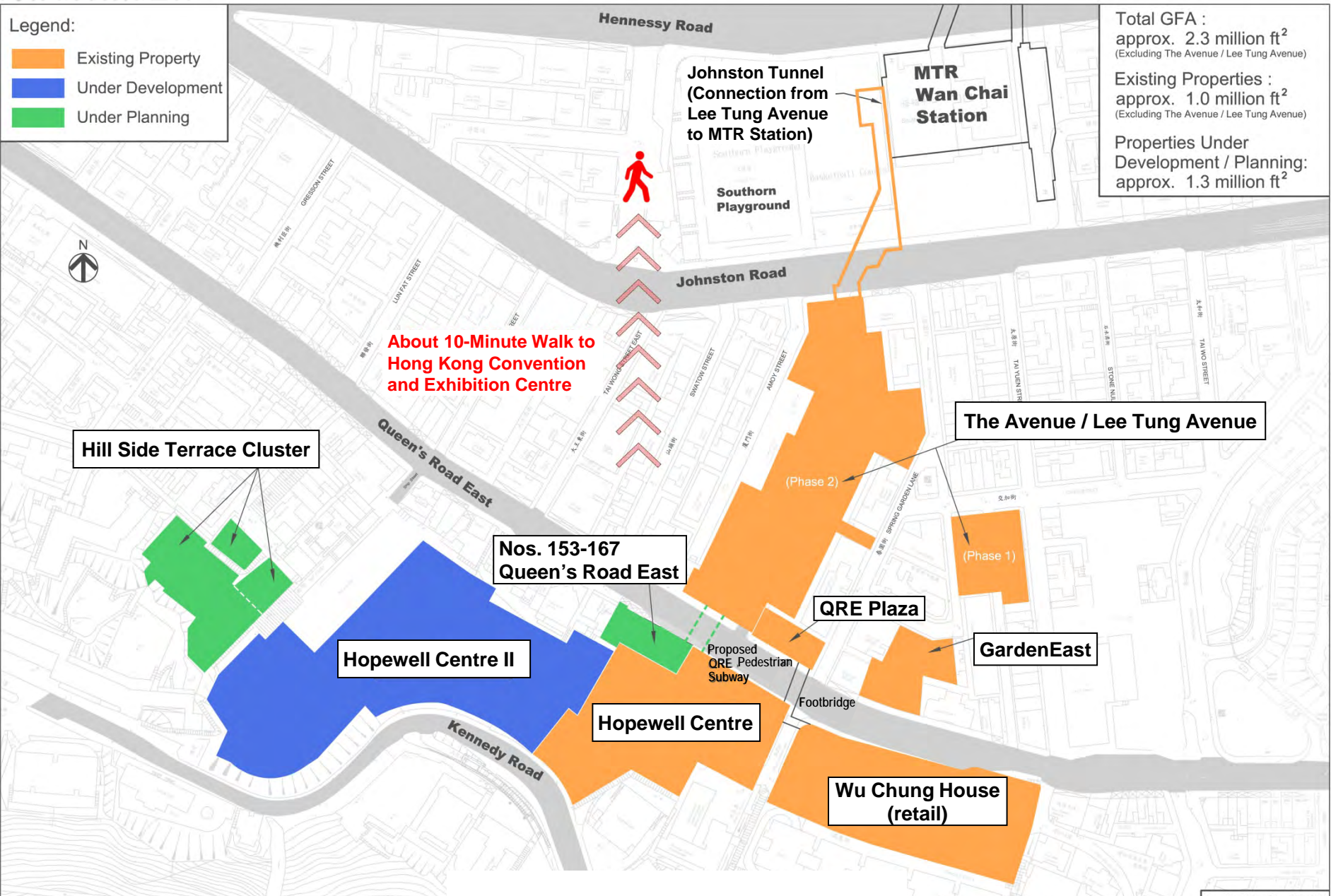
Legend:

- Existing Property
- Under Development
- Under Planning

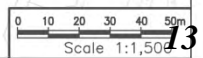
Total GFA :
approx. 2.3 million ft²
(Excluding The Avenue / Lee Tung Avenue)

Existing Properties :
approx. 1.0 million ft²
(Excluding The Avenue / Lee Tung Avenue)

Properties Under
Development / Planning:
approx. 1.3 million ft²



Remarks: Boundary Line for Indication only



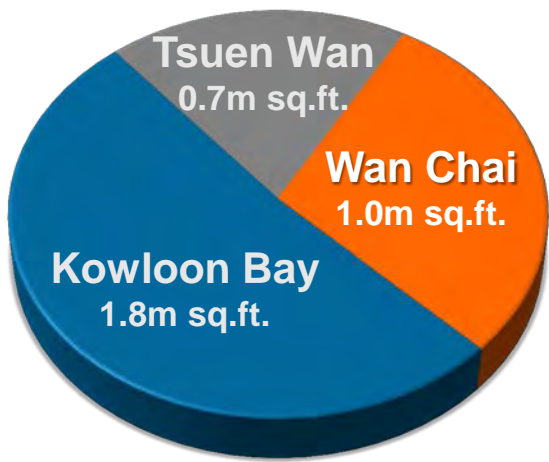
Investment Properties* under Development

- Future Growth Driver

發展中的投資物業：未來的增長動力

Existing

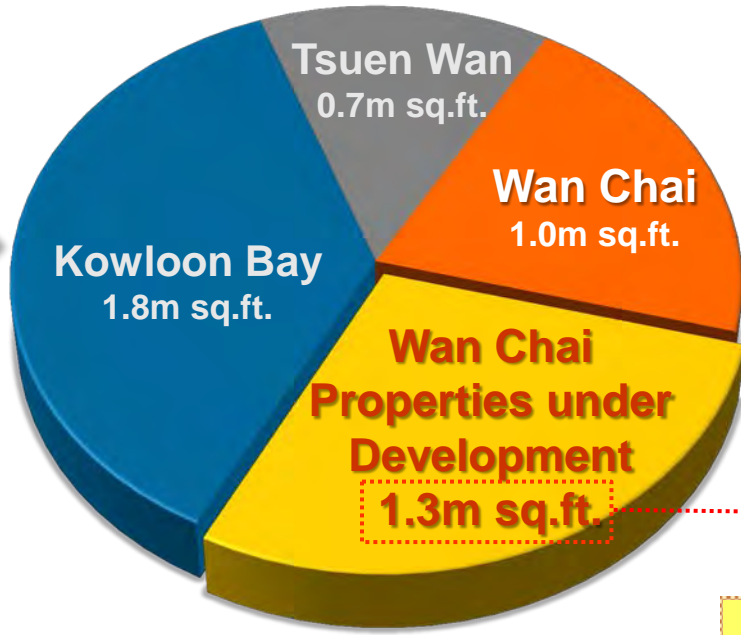
Total GFA: 3.5 million sq.ft.



+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 [^] (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

[^] 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^{N1}: 101,600 sq.m.
 - Hotel: 76,800 sq.m.
 - Retail: 24,800 sq.m.

Capex Plan^{N1} 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 ^{N2}	\$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^{N1}

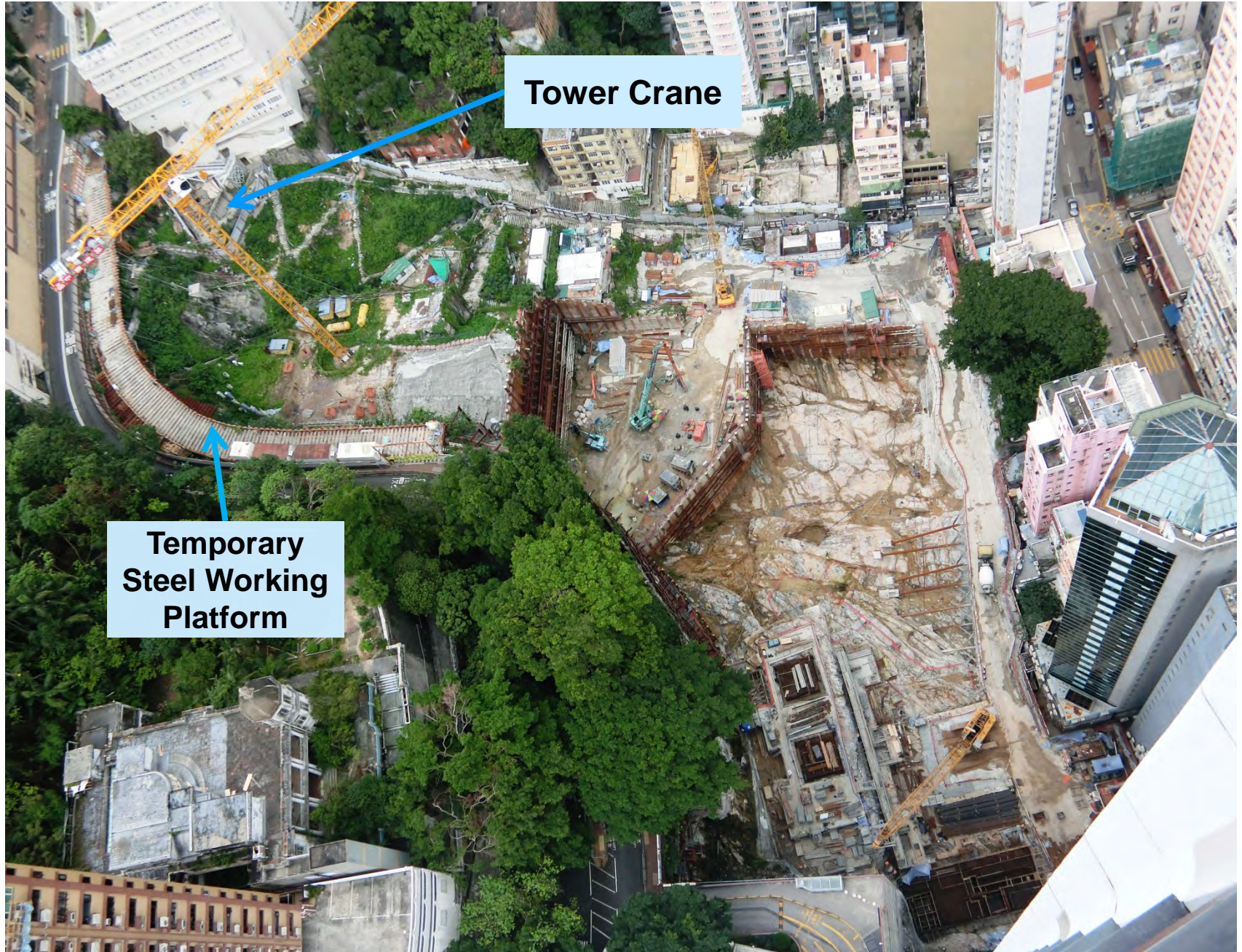
N1: Present planning, subject to change

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

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

■ 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 completed in Sep 2018

拆卸工程已在2018年9月完成

◆ Envisions to commence operation in 2022

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 Sep 2018: ~HK\$600m**

在2018年9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
Total:	2,398

Timeline for Projects^{N1}

項目進度

Calendar year	2018	2019	2020	2021	2022	> > > > >
Hong Kong						
Hopewell Centre II (HHL 100%)	Construction works			Construction target completion: end-2021		
153-167 Queen's Road East (HHL 100%)^{N2}	Demolition and Construction works			Opening: 2022		
Hill Side Terrace Cluster^{N3} (HHL 100%)	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 ↑8% yoy to HK\$828m in 1HFY19**

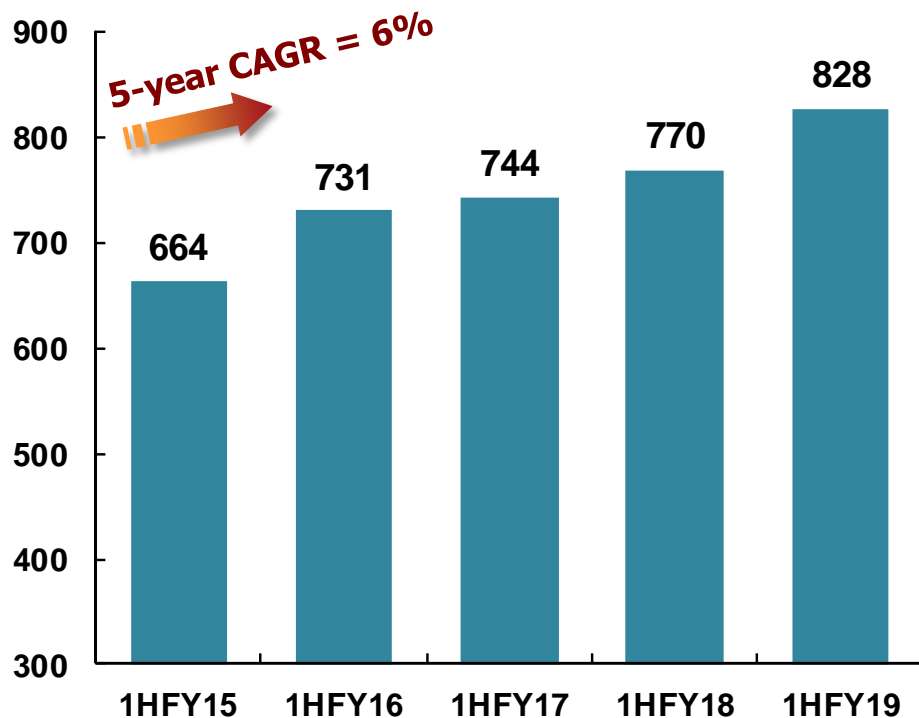
2019財年上半年的收入按年增長8%至港幣8.28億元

- **EBIT ↑7% yoy to HK\$424m in 1HFY19**

2019財年上半年的除利息及稅項前溢利按年上升7%至港幣4.24億元

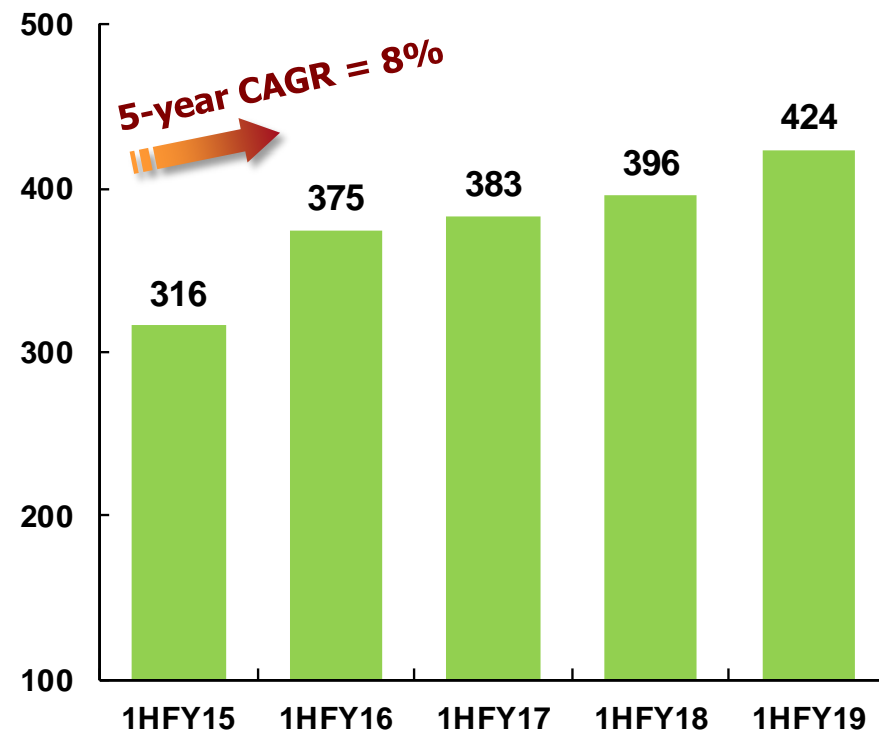
Revenue – Investment Properties & Hospitality

Six months ended 30-Sep (HK\$m)



EBIT – Investment Properties & Hospitality

Six months ended 30-Sep (HK\$m)



■ EBIT up 4% yoy to HK\$386m in 1HFY19

2019財年上半年的除利息及稅項前溢利按年上升4%至港幣3.86億元

- ◆ **Office rental income ↑8% yoy as new tenants moved in at Hopewell Centre and new leases signed at KITEC**

寫字樓租金收入按年上升8%，主要由於新租戶遷入合和中心及九展簽訂新租約

■ EBIT margin improved to 65% in 1HFY19 (1HFY18: 64%)

2019財年上半年的除利息及稅項前溢利率改善至65% (2018財年上半年：64%)

■ **Expect stable rental income in FY19 vs the financial year ended 30 Jun 2018**

預期2019財年租金收入與截至2018年6月30日止財年相若

- ◆ **Stable office rental income growth to offset drop in retail rental income 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

Six months ended 30-Sep	Avg Occupancy Rate ^{N1}		Avg Rental Rate yoy change
	2017	2018	
Hopewell Centre	92%	96% ^{N2}	+1%
KITEC Office	91%	93%	+6%
KITEC E-Max	76% ^{N3}	80% ^{N3}	+3%
Panda Place	98%	98%	+2%
QRE Plaza	94%	99%	+6%
Lee Tung Avenue	93%	98%	0%
GardenEast (apartments)	92%	93%	+2%

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

■ **Rental income ↑3% yoy to HK\$140m in 1HFY19 as new tenants moved in**

由於新租戶遷入，2019財年上半年的租金收入按年上升3%至港幣1.40億元

- ◆ **Average occupancy rate: 97%**
平均出租率：97%

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

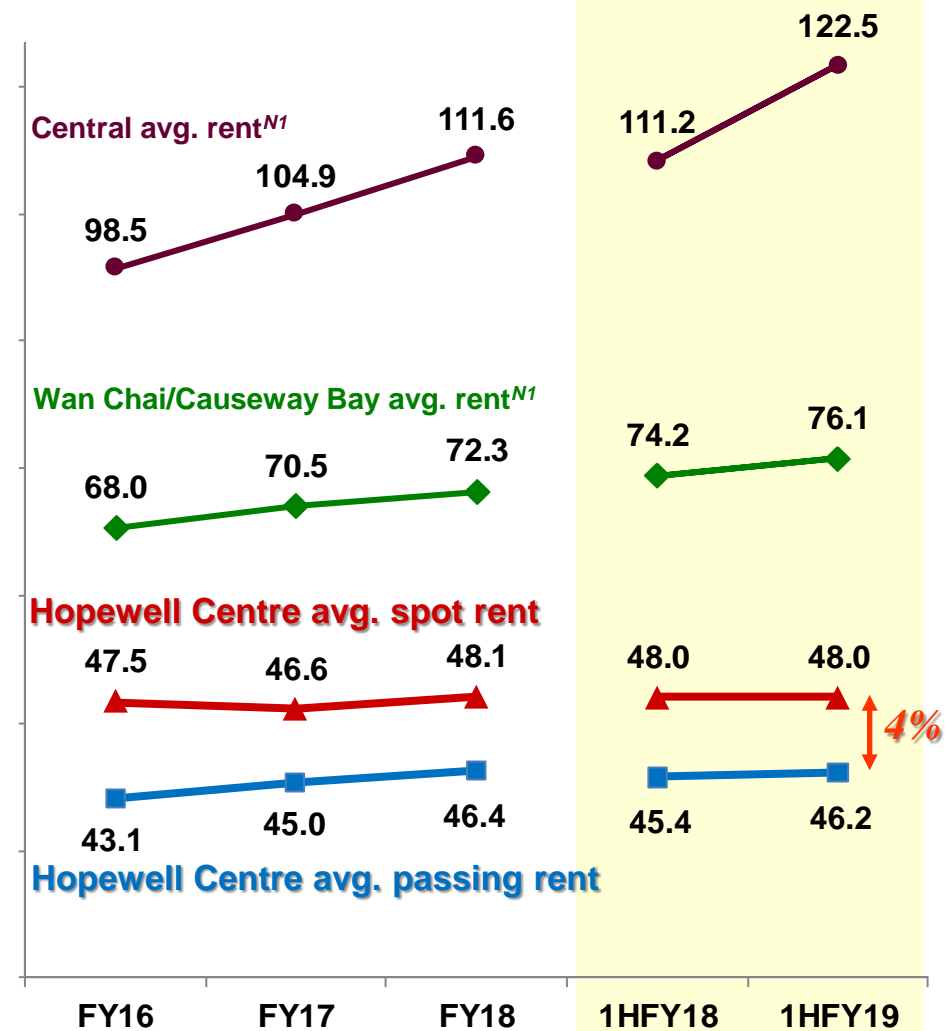
■ **Expect rental uplift by phases when:**

預期租金將分階段提升：

- ◆ **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
- ◆ **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

Year ended 31-Mar
(HK\$/sq.ft./month)



N1: Figures from Rating & Valuation Dept, 1HFY19 figures up to Aug 2018

Office 寫字樓

- Rental income ↑17% yoy to HK\$75m in 1HFY19 due to new leases with ViuTV and Registration & Electoral Office (“REO”)

由於與ViuTV及選舉事務處簽訂新租約，2019財年上半年的租金收入按年上升17%至港幣7,500萬元

- Expect FY19 rental income: mild growth**

預期2019財年的租金收入增長溫和

- ◆ **New leases with ViuTV (33,400 sq.ft.) and REO (21,000 sq.ft.)**

與 ViuTV (33,400平方呎) 及選舉事務處 (21,000平方呎) 簽訂新租約

- Footbridge connecting KITEC and Kai Tak currently under study**

目前正研究連接九龍灣國際展貿中心與啟德的行人天橋

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

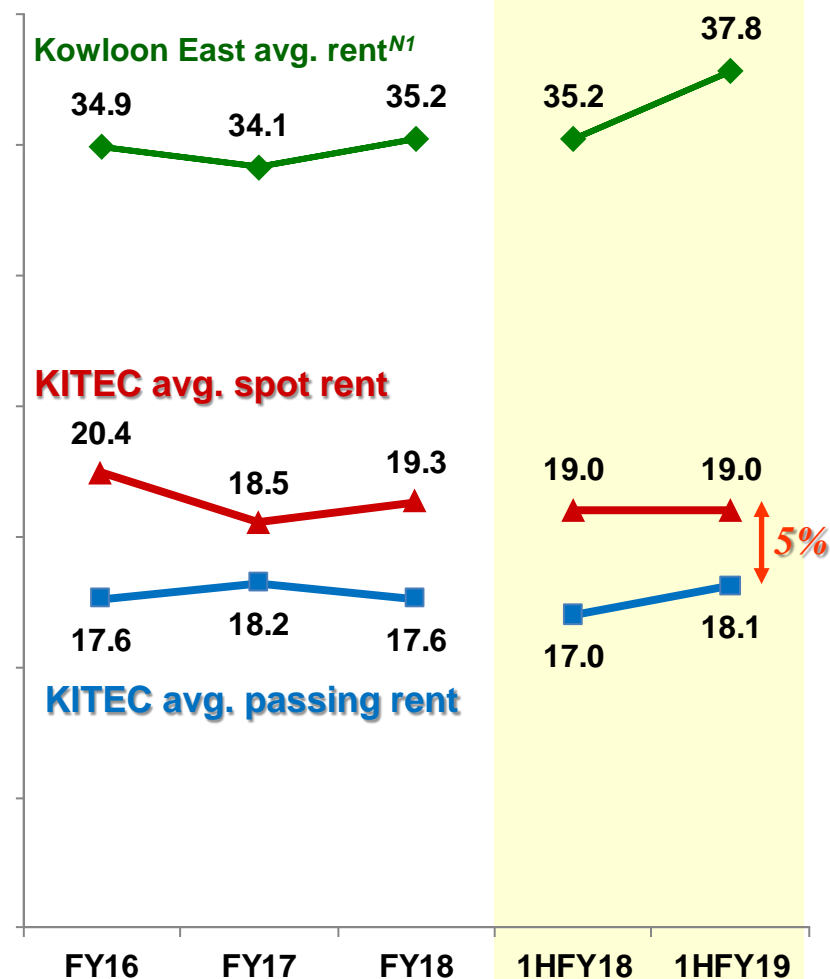
土地及建設諮詢委員會同意豁免補地價 (交由行政會議審議)

- 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

Year ended 31-Mar
(HK\$/sq.ft./month)



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: 87,700ft²
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）

- ◆ **Target completion by end-2023**

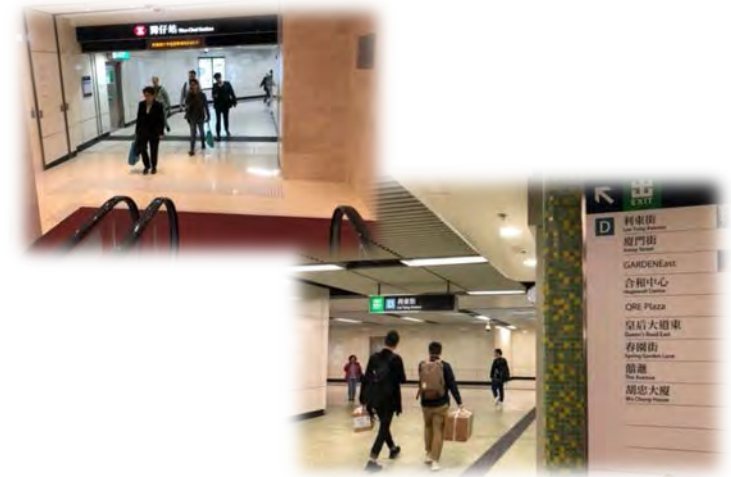
目標在2023年底前完工

■ **1HFY19:**

Average occupancy rate: 98%

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

2019財年上半年的平均出租率為98%；平均租金為每平方呎約港幣61元



	1HFY19 (HK\$m)	yoy chg 按年變動	Reasons 原因	Jul-Sep 2018 (HK\$m)
Total Revenue 總收入	156	+8%	<ul style="list-style-type: none"> • Room revenue ↑10% • F&B revenue ↑3% 	80
Room Revenue 房間收入	105	+10%	<ul style="list-style-type: none"> • Average room rate ↑11% yoy • Average occupancy rate remained high at 96% 	54
F&B Revenue 餐飲業務收入	51	+3%	↑ Banquets	26
EBIT 除利息及稅項前溢利	35	+28%	EBIT margin: 23% (1HFY18: 19%)	20

■ Cautiously optimistic about HK hotel's industry outlook

對香港酒店業的前景審慎樂觀

■ 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

Hopewell New Town, Huadu, Guangzhou – Residential & Commercial

廣州花都合和新城（住宅及商業）

■ 1HFY19: no residential sales were launched due to tightening policies in PRC property market

由於內地房地產市場的政策收緊，2019財年上半年並無推售住宅單位

◆ Revenue fell to RMB1m (car park sales) from RMB240m in 1HFY18

收入由2018財年上半年的人民幣2.4億元下跌至人民幣100萬元（來自車位銷售）

■ 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

■ Mass Transit Railway Route No. 9 started operation in Dec 2017

地鐵9號綫已在2017年12月開始營運

◆ A Mass Transit Railway exit near the site opened in Jun 2018

鄰近合和新城的地鐵出口已在2018年6月啟用

HHL's Sound Financial Plan



合和實業：穩健的財務計劃

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

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\$8,275m as at 30 Sep 2018**
在2018年9月30日，錄得淨現金港幣82.75億元
- ◆ **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 Sep 2018	HK\$m
Completed investment properties	33,254
Panda Hotel	297
Properties under development	
Hopewell Centre II	
- Commercial portion	4,779
- Hotel portion	2,686
153-167 Queen's Road East	1,124
Properties for development	838
Interests in JVs (Power Plant and Lee Tung Avenue)	1,821
Other assets/liabilities	7,688
Non-controlling interests	(184)
Shareholders' equity	52,303
	<i>(HK\$60.2/share)*</i>
Total hidden value (hotels business)	5,215
	<i>(HK\$6.0/share)*</i>
Adjusted shareholders' equity (unaudited)	57,518
	<i>(HK\$66.2/share)*</i>

As at 30 Sep 2018 (HK\$)	Panda Hotel	HC II hotel portion
Market value	\$3,282m \$3.6m/room <i>valuation report</i>	\$4,916m \$4.8m/room under development <i>valuation report</i>
Book value	\$297m \$0.3m/room <i>at cost less depreciation</i>	\$2,686m \$2.6m/room under development <i>at cost</i>
Hidden value	\$2,985m \$3.4/share*	\$2,230m \$2.6/share*

Total: \$5,215m

\$6.0/share*

5,215

*(HK\$6.0/share)**

* No. of HHL shares in issue: 868.6 million (as of 30 Sep 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

Financial year ended 30-Jun	No. of HHL Shares Bought Back	Highest Price (HK\$/share)	Lowest Price (HK\$/share)	Average Price (HK\$/share)
2014 Total	1,228,000 (0.1% of issued shares)	26.95	25.85	26.46
2015 Total	nil	-	-	-
2016 Total	2,000,500 (0.2% of issued shares)	27.55	23.55	25.33
2017 Total	nil	-	-	-
2018 Total*	1,218,500 (0.1% of issued shares)	27.20	26.80	27.01
Six months ended 30-Sep	No. of HHL Shares Bought Back	Highest Price (HK\$/share)	Lowest Price (HK\$/share)	Average Price (HK\$/share)
2018 Total*	1,218,500 (0.1% of issued shares)	27.20	26.80	27.01

* Change of financial year end date from 30-Jun to 31-Mar with effect from FY19. 1,218,500 shares were bought back during Apr to Jun 2018, which was an overlapped period for the financial year ended 30 Jun 2018 and FY19

~ End of Presentation ~

Terms	Meanings
"1HFY15"	The first half of financial year ended 31 Mar 2015 (i.e. 1 Apr to 30 Sep 2014)
"1HFY16"	The first half of financial year ended 31 Mar 2016 (i.e. 1 Apr to 30 Sep 2015)
"1HFY17"	The first half of financial year ended 31 Mar 2017 (i.e. 1 Apr to 30 Sep 2016)
"1HFY18"	The first half of financial year ended 31 Mar 2018 (i.e. 1 Apr to 30 Sep 2017)
"1HFY19"	The first half of financial year ending 31 Mar 2019 (i.e. 1 Apr to 30 Sep 2018)
"FY15"	The financial year ended 31 Mar 2015
"FY16"	The financial year ended 31 Mar 2016
"FY17"	The financial year ended 31 Mar 2017
"FY18"	The financial year ended 31 Mar 2018
"FY19"	The financial year ending 31 Mar 2019
"FY20"	The financial year ending 31 Mar 2020
"FY21"	The financial year ending 31 Mar 2021

Supplementary Information

補充資料



(HK\$ in million) (港幣百萬元)	Revenue 收入		EBIT ^{N1} 除利息及稅項前溢利	
	Jul-Dec 2017	Jul-Sep 2018	Jul-Dec 2017	Jul-Sep 2018
Continuing operations: 持續營運的業務				
Investment properties and hospitality 投資物業和酒店及餐飲				
Property letting and management 物業租務及管理	582	295	394	192
Hotel, restaurant and catering operation 酒店、餐廳及餐飲營運	250	116	68	21
sub-total 小計	832	411	462	213
Property development 物業發展	643	-	250	(5)
Power plant 電廠	482	215	6	8
Treasury income 庫務收入	42	62	42	62
Others 其他	-	-	(58)	(31)
Continuing operations total 持續營運合計	1,999	688	702	247
Discontinued operation: 已停止營運的業務				
Toll road investment 收費公路投資	1,323	-	434	-
Revenue / EBIT 收入 / 除利息及稅項前溢利	3,322	688	1,136	247
			Results 業績	
			Jul-Dec 2017	Jul-Sep 2018
Earnings before interest and tax 除利息及稅項前溢利			1,136	247
Finance costs 財務成本			(9)	(3)
Fair value gain of completed investment properties 已落成投資物業公平值收益			1,351	291
Profit before tax 除稅項前溢利			2,478	535
Taxation (from continuing and discontinued operations) 稅項 (來自持續及已停止營運的業務)			(216)	(34)
Profit for the period 本期溢利			2,262	501
Minority interests 少數股東應佔溢利			(152)	(1)
Profit attributable to owners of the Company 公司股東應佔溢利			2,110	500
Core Profit ^{N2} 核心溢利			759	209
Earnings per shares (HK\$) 每股溢利 (港元)			2.43	0.58

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

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)	Revenue 收入		Revenue 收入	
Six months ended 30-Sep 截至9月30日止六個月	2017	2018	Jul-Dec 2017	Jul-Sep 2018
Revenue per "Results" slide 按照 "合和實業業績" 投影片的財務回顧的收入	3,254	1,454	3,322	688
Less: 減:				
Sales proceeds of Broadwood Twelve properties 樂天峯的銷售收益	(230)	-	(227)	-
Treasury income 庫務收入	(41)	(107)	(42)	(62)
Share of revenues of JVs engaged in 應佔合營企業之收入				
- Toll road 收費公路	(1,304)	(24)	(1,323)	-
- Power plant 電廠	(453)	(494)	(482)	(215)
- Property development and property investment 物業發展及投資物業	(203)	(14)	(149)	(7)
Turnover per Consolidated Statement of Profit or Loss 按照綜合損益表的營業額	1,023	815	1,099	404

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)	Revenue*		yoy chg 按年變動	Revenue*
	2017	2018		Jul-Sep 2018
Six months ended 30-Sep 截至9月30日止六個月				
<i>Investment Properties</i>				
Rental income - office	200	215	+8%	108
Rental income - retail	165	165	+0%	80
Rental income - residential	38	37	-3%	19
Convention and exhibition	36	38	+6%	19
Air conditioning and management fee	83	87	+5%	44
Carpark and others	54	55	+2%	25
Investment Properties sub-total	576	597	+4%	295
<i>Hospitality</i>				
Room Revenue	95	105	+11%	54
Restaurants, catering operations and others	99	126	+27%	62
Hospitality sub-total	194	231	+19%	116
Total	770	828	+8%	411

* Excluding tenancies for HHL's own use

Disposed ~66.69% Issued Shares of HHI^{N1}

(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)
Special cash interim dividend (paid on 2 May 2018) 特別中期股息 (已於2018年5月2日派發)	~1,740
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	5,000
<ul style="list-style-type: none"> • Fund New Investment Opportunities^{N2} 為新投資項目提供資金 <ul style="list-style-type: none"> - in both HK and the Mainland, in particular Guangdong-HK-Macao Bay Area 於香港及內地，尤其粵港澳大灣區 • Strengthen general working capital and cash position (<i>meantime pending the identification of New Investment Opportunities</i>) 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) 	The Balance 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

Reasons For Disposal of HHI



(completed 4 Apr 2018)^{N1}

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

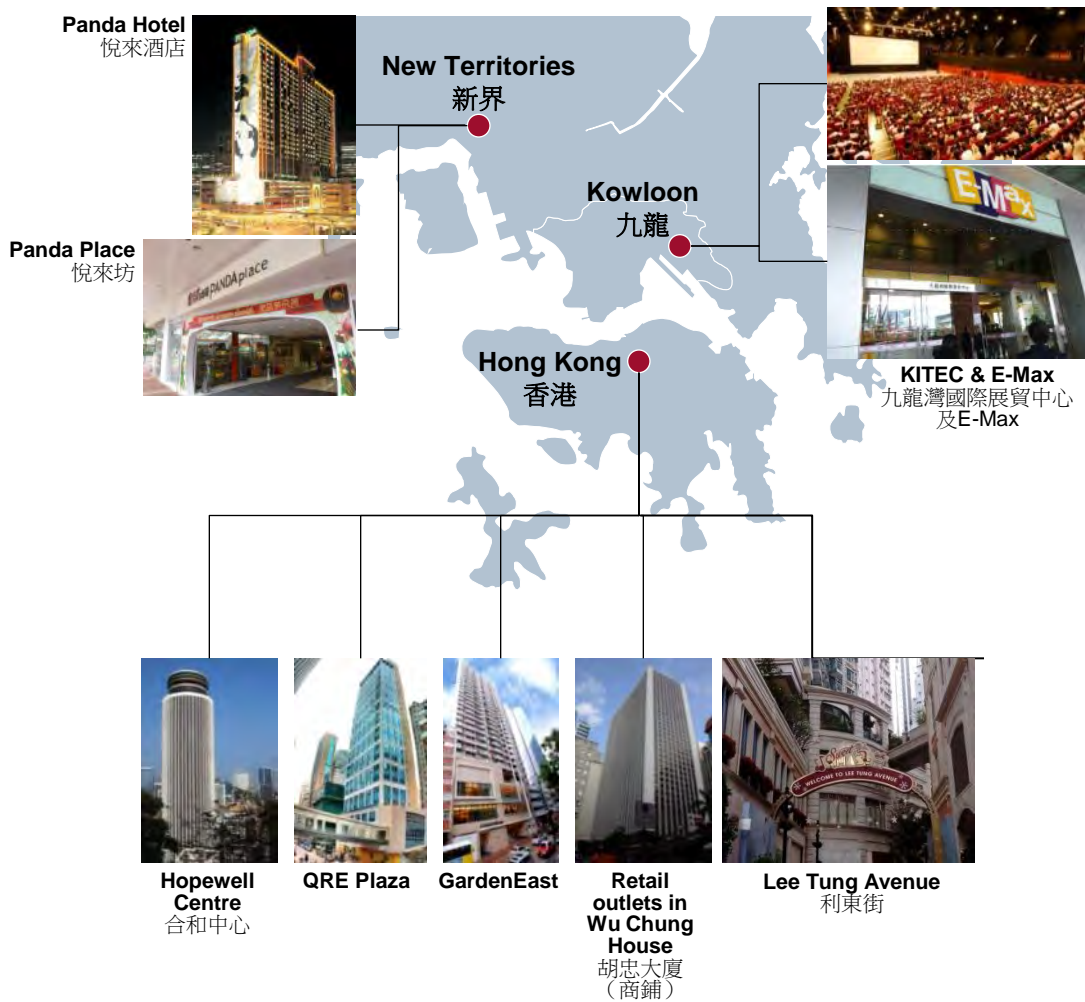
N1: For details, please refer to the

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

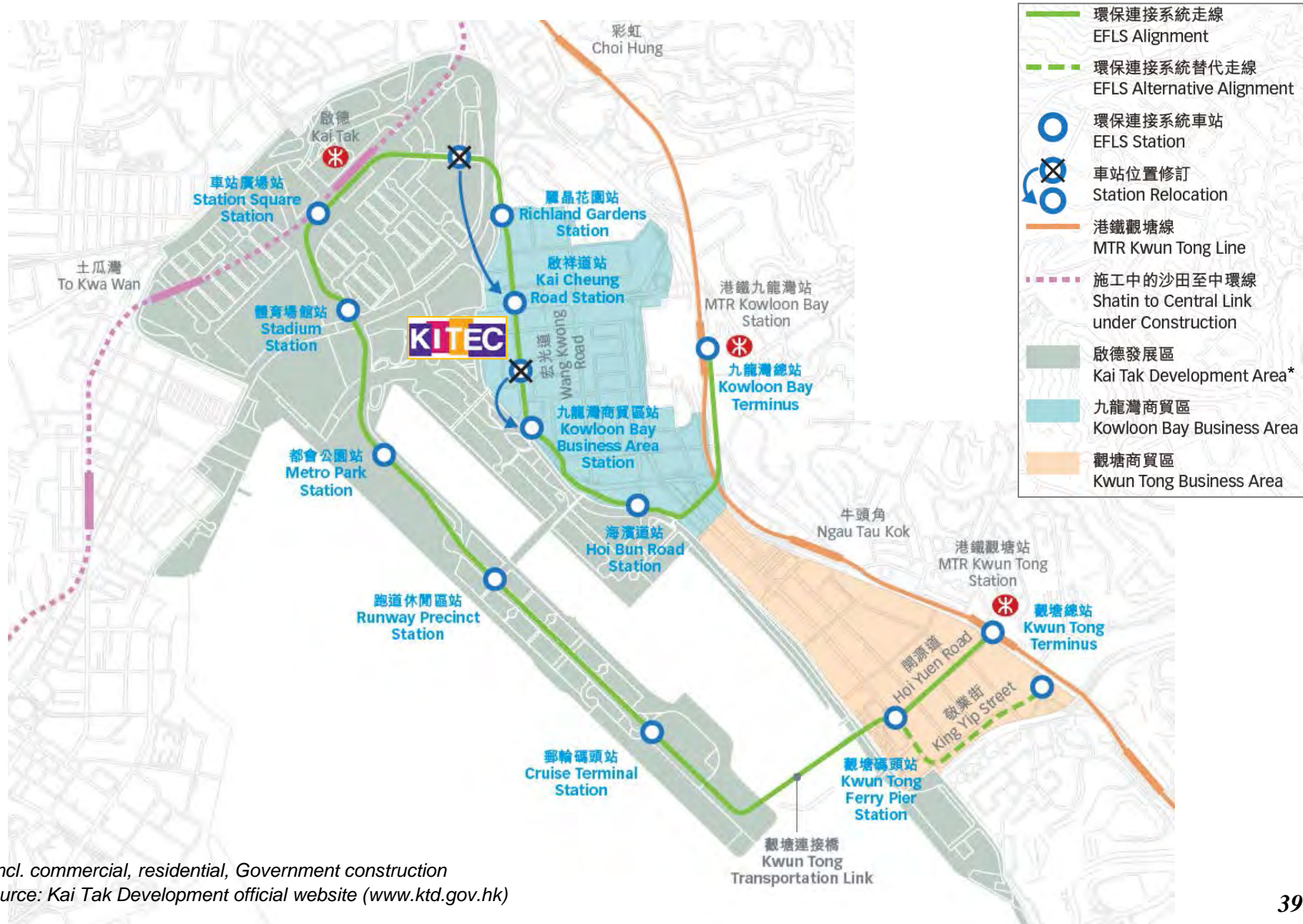


	Approx. GFA (sq.ft.) 概約樓面面積 (平方呎)
Hopewell Centre 合和中心	840,000
KITEC and E-Max 九龍灣國際展貿中心及E-Max <i>(incl. Star Hall 30,000sq.ft. and Metroplex >1,100 seats)</i>	1,775,000*
QRE Plaza	77,000
GardenEast (216 units)	96,500
Lee Tung Avenue (HHL attr.) 利東街 (合和實業應佔)	26,000
Wu Chung House retail 胡忠大廈商舖	17,670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

* 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



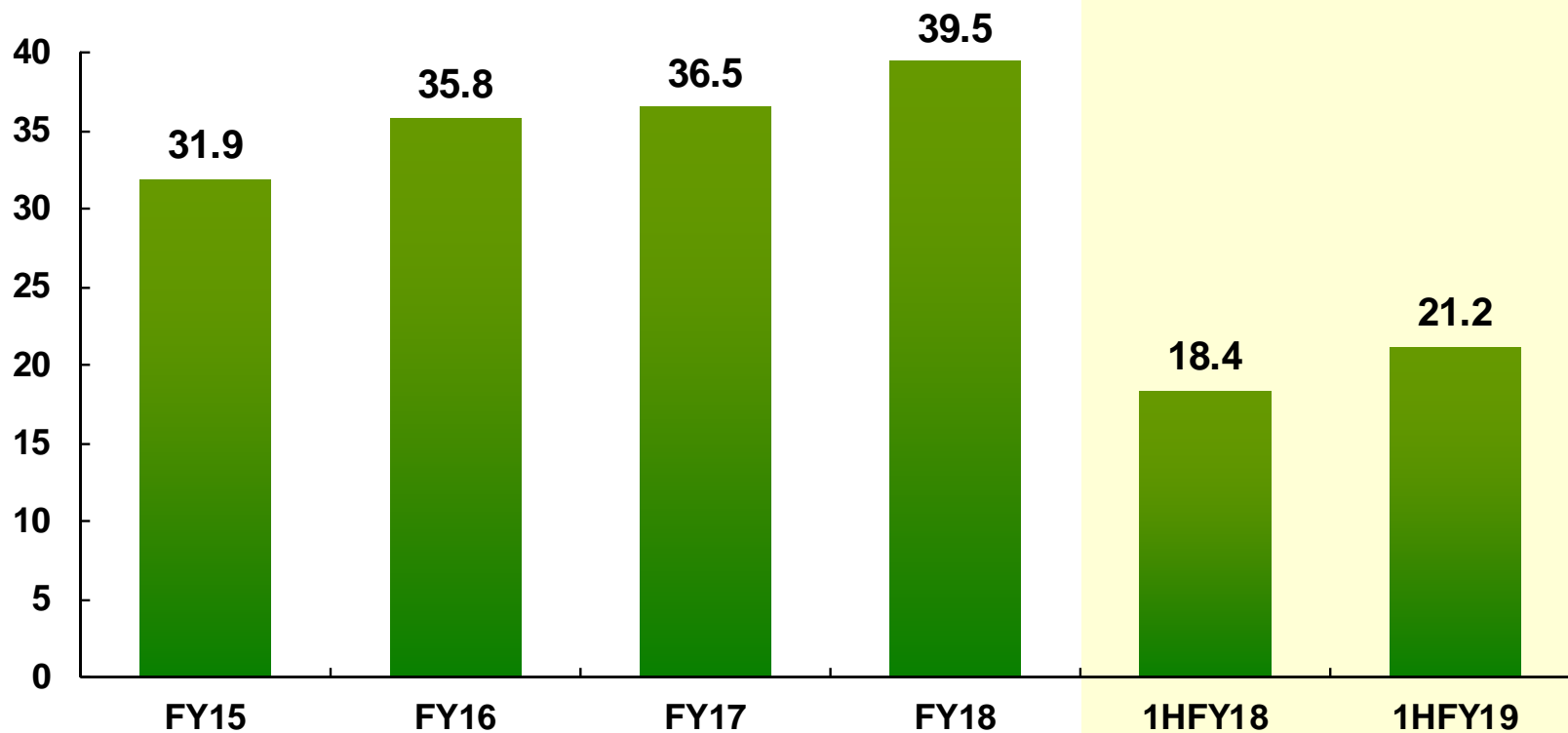
* Incl. commercial, residential, Government construction
Source: Kai Tak Development official website (www.ktd.gov.hk)

■ 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

Year ended 31-Mar
(HK\$'m)



Average passing rent per sq.ft.

\$37.1

\$37.9

\$40.0

\$42.5

\$41.2

\$43.8

Panda Place, Tsuen Wan

荃灣悅來坊

GFA approx. 229,000ft²

總樓面面積約229,000平方呎

1HFY19:

2019財年上半年：

- ◆ **Rental income remained flat at HK\$32m**
租金收入按年持平港幣3,200萬元
- ◆ **Average occupancy rate: 98%**
平均出租率為98%



Hopewell New Town, Huadu, Guangzhou

– Historical Revenue and Average Selling Price

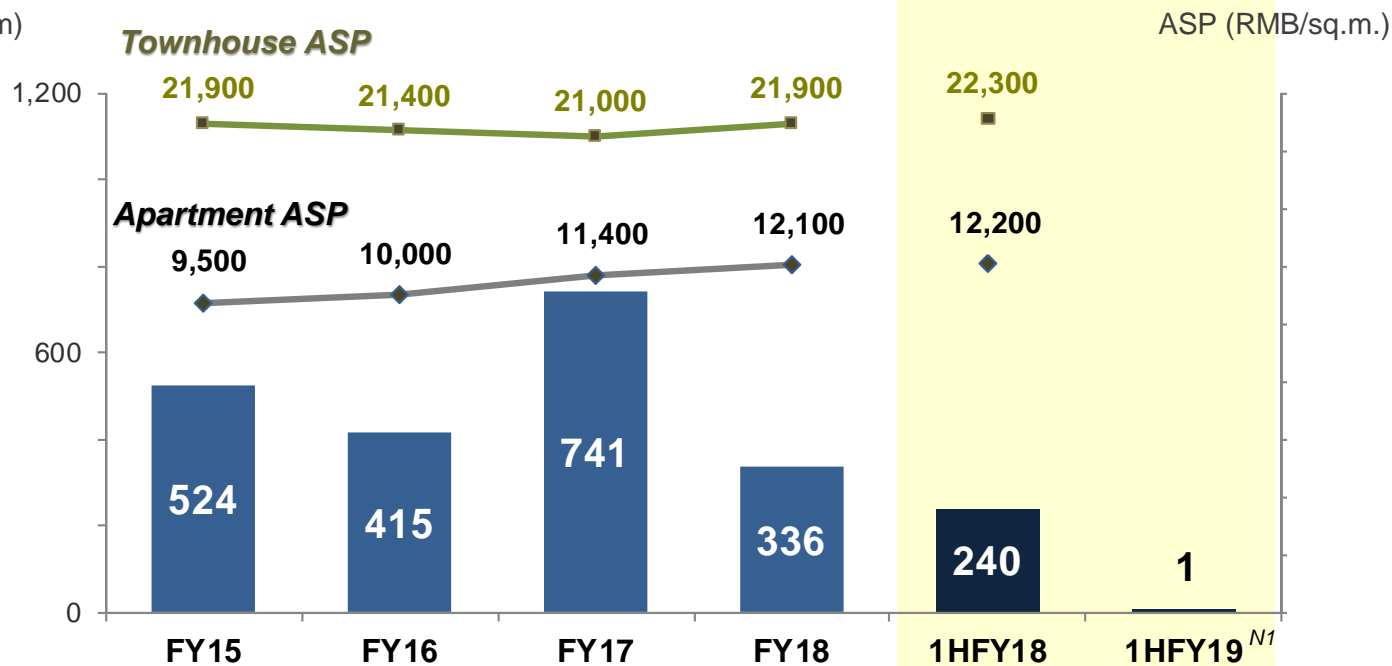


廣州花都合和新城：歷年收入與平均銷售價格

Total Site Area:	~ 610,200 sq.m.
Total Plot Ratio GFA:	~ 1.11m sq.m.
Total GFA sold & booked (as of 30.9.2018):	~ 483,900 sq.m. (44% of total)

Revenue and Average Selling Price (“ASP”) Booked

Year ended 31-Mar
Revenue (RMB'm)



GFA booked (sq.m.)

	FY15	FY16	FY17	FY18	1HFY18	1HFY19 ^{N1}
Townhouse	600	600	3,700	2,900	1,700	-
Apartment	53,800	40,300	57,600	14,600	11,000	-

Units booked

	FY15	FY16	FY17	FY18	1HFY18	1HFY19 ^{N1}
Townhouse	2	2	13	10	6	-
Apartment	611	345	509	123	93	-

N1: No residential sales were launched given tightening policies in PRC property market. RMB1m booked in 1HFY19 represents car park sales

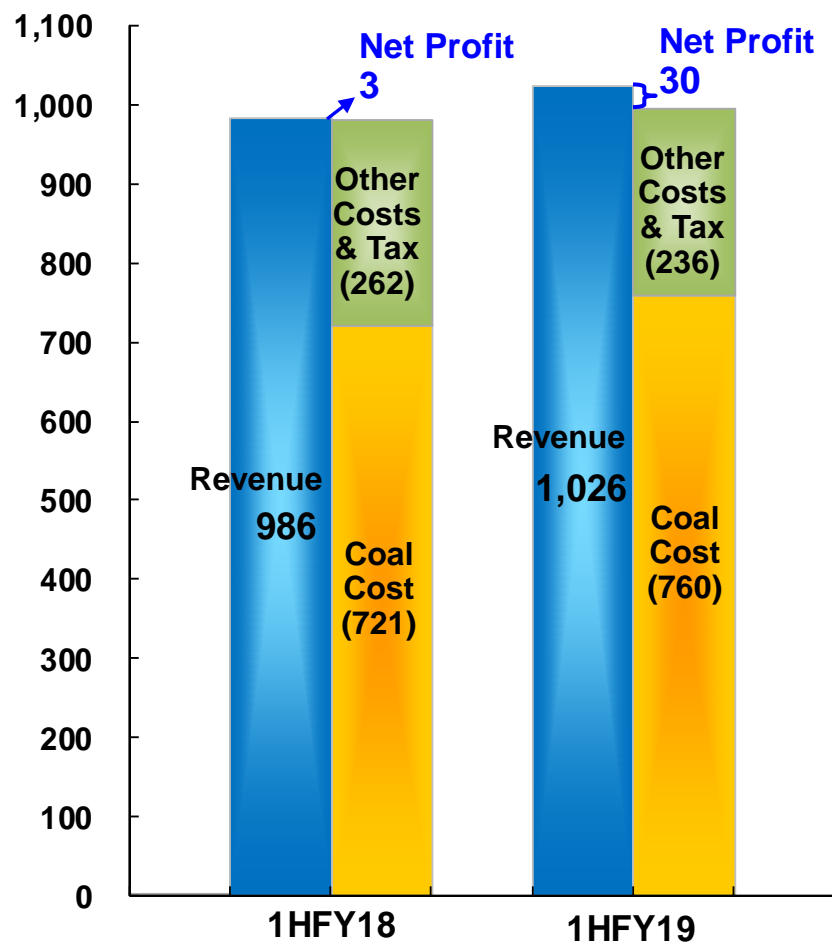
Heyuan Power Plant, Guangdong

廣東省河源電廠



P&L Highlight - JV Level 100%

Six months ended 30-Sep
(RMB in million)



Updates 最新概況

- **Net profit rose to RMB30m in 1HFY19 from RMB3m in 1HFY18 due to ↑ gross generation and ↓ power plant depreciation**
由於總發電量上升及電廠的折舊下跌，淨溢利由2018財年上半年的人民幣300萬元上升至2019財年上半年的人民幣3,000萬元
- **Adjustment on accounting estimates of the power plant's useful life and depreciation schedule: effective 1 Jul 2018**
電廠的使用壽命及折舊表的會計估算調整在2018年7月1日起生效
- **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

Key Operating Statistics 主要營運數據

	1HFY18	1HFY19
Gross generation 總發電量	2,800 GWh 28億千瓦時	3,000 GWh 30億千瓦時
Utilisation rate^{N1} 使用率 (hours) (時數)	54% (2,372 hours)	57% (2,504 hours)
Availability factor^{N2} 可利用率	84%	89%
Average on-grid tariff (with desulphurization, denitrification, dust removal and super low emission) (excl. VAT) 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)	RMB368.3/MWh	RMB363.0/MWh
Approx. coal cost (5,500 kcal/kg) (incl. transport; excl. VAT) 概約煤價 (每公斤5,500大卡) (包括運費；但不包括增值稅)	RMB659/ton	RMB666/ton

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

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

~ **END** ~