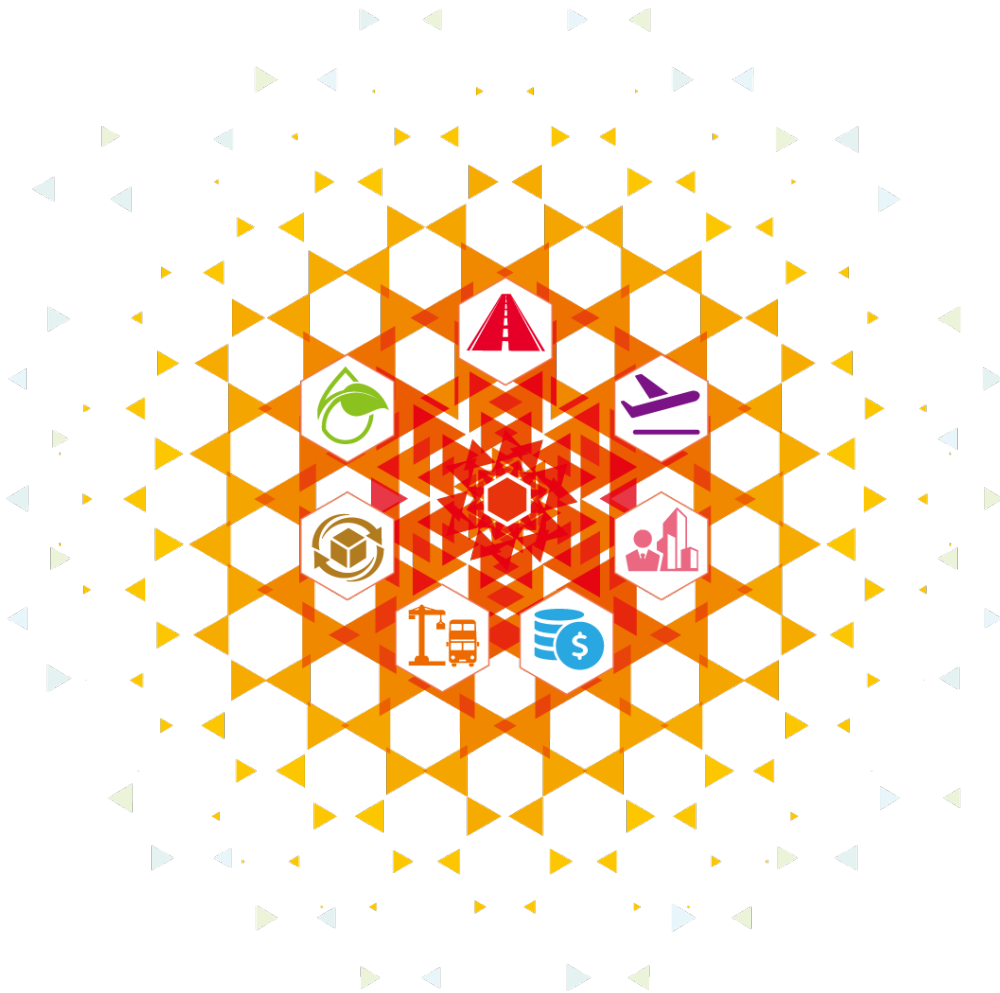




新創建 NWS



# FY2018 Interim Results






Connecting Lives ▶▶▶ Building Futures



Hang Seng Corporate  
Sustainability Index  
Series Member 2017-2018



# Financial Summary

For the six months ended 31 December	2017 (HK\$'M)	2016 (HK\$'M)	Change (%)
Revenue	18,076.9	13,846.0	 31
Attributable Operating Profit (AOP)	2,682.1	2,519.4	 6
Profit Attributable to Shareholders (PAT)	2,478.1	2,600.1	 5
Basic Earnings per share (HK\$)	0.64	0.68	 6
Dividend per share (HK\$)	0.32	0.34	 6

# Financial Position

	As at 31 Dec 2017 (HK\$'M)	As at 30 Jun 2017 (HK\$'M)
<b>Total cash and bank balances</b>	<b>6,421</b>	<b>6,453</b>
<b>Total debt</b>	<b>12,570</b>	<b>9,683</b>
<b>Net debt position</b>	<b>6,149</b>	<b>3,230</b>
<b>Net gearing ratio</b>	<b>13%</b>	<b>7%</b>

## Infrastructure 基建



Roads  
道路



Environment  
環境



Logistics  
物流



Aviation  
航空

## Services 服務



Facilities Management  
設施管理



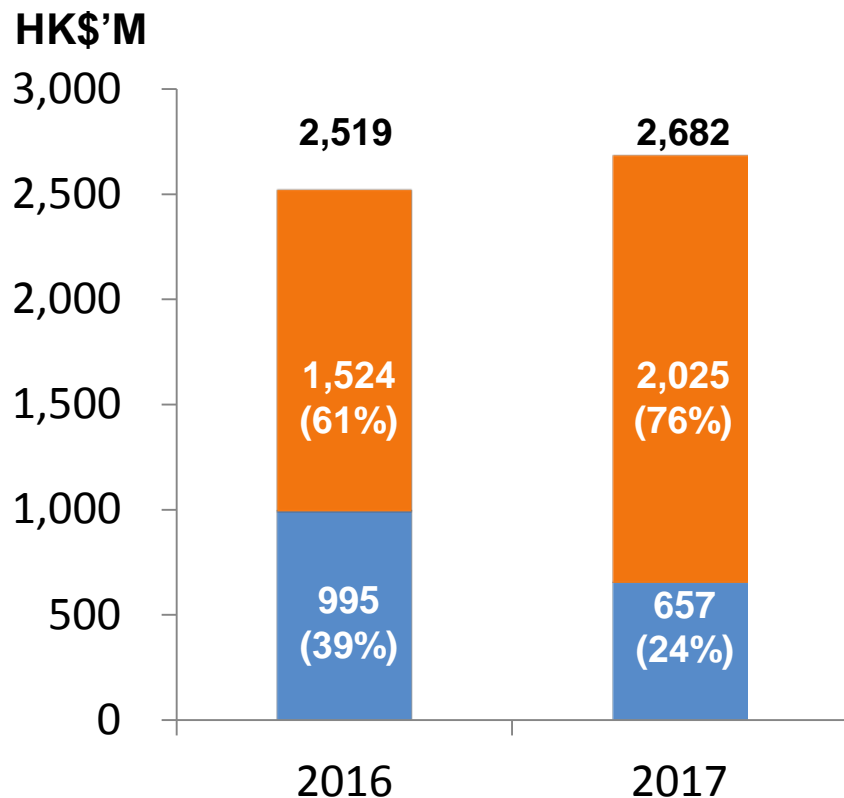
Construction &  
Transport  
建築及交通



Strategic Investments  
策略性投資

# Attributable Operating Profit

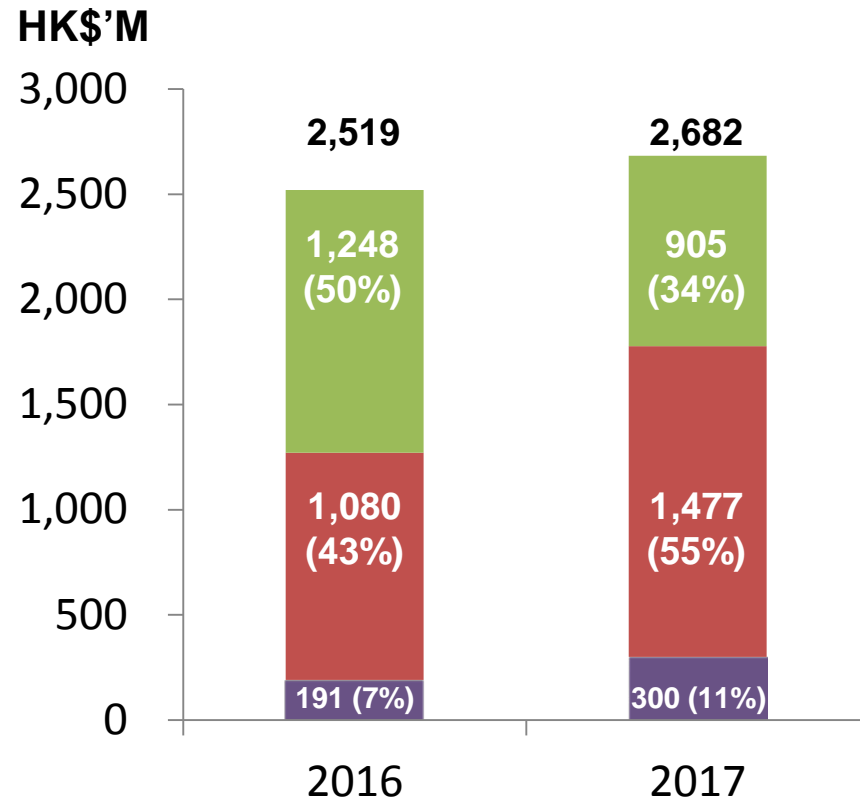
## By Segment



Infrastructure

Services

## By Region



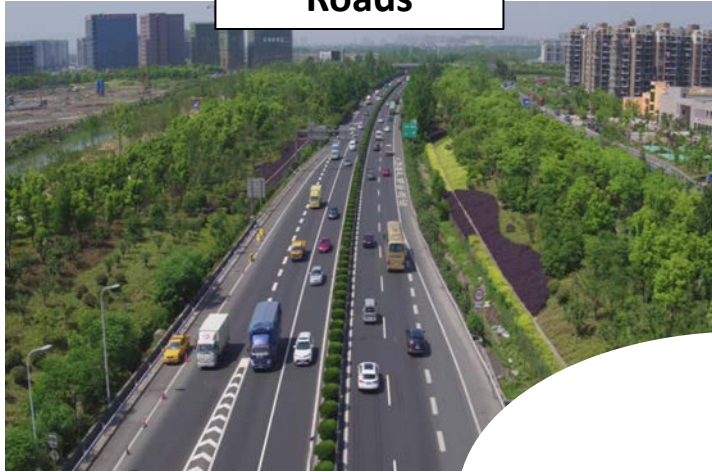
Hong Kong

Mainland China

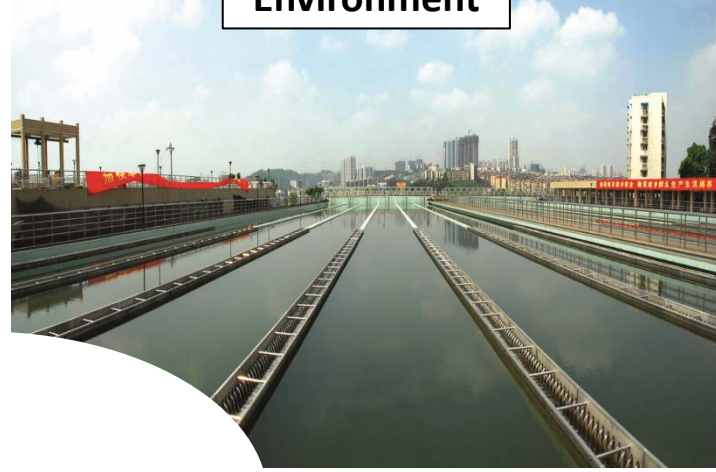
Other Territories

# Infrastructure

Roads

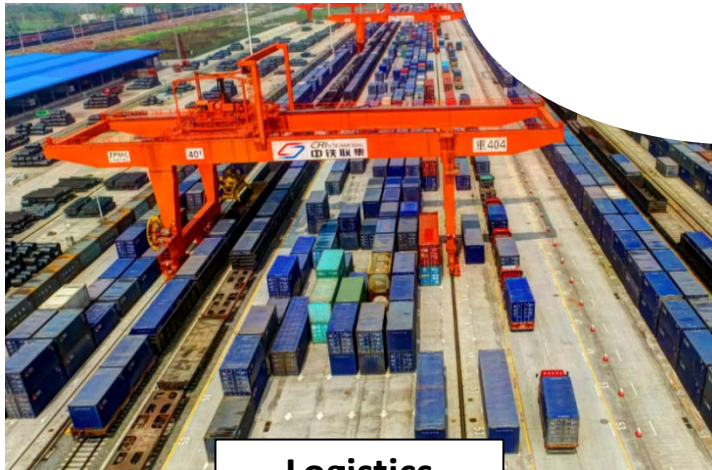


Environment

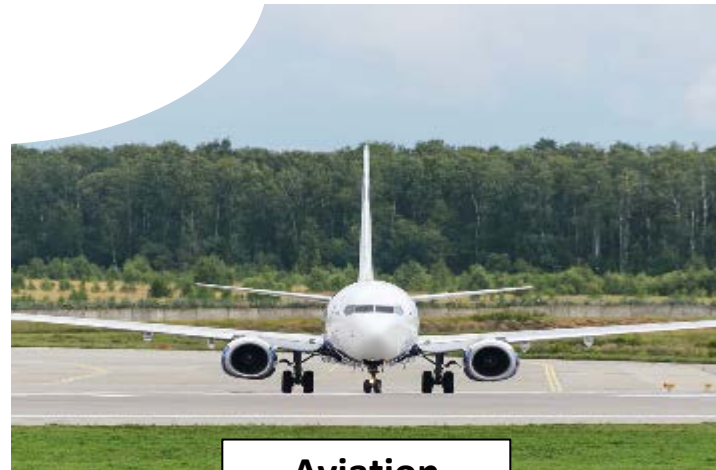


## Infrastructure

Logistics





Aviation








# Infrastructure



 <p><b>Roads</b></p>	<p><b>16</b> Roads and related projects in Guangdong, Guangxi, Shanxi, Zhejiang, Tianjin and Hubei</p>
 <p><b>Environment</b></p>	<p><b>1</b> SUEZ NWS with 66 environmental projects in Greater China</p>
	<p><b>1</b> Chongqing Derun Environment</p>
	<p><b>2</b> Power plants in the PRC</p>
 <p><b>Logistics</b></p>	<p><b>1</b> ATL Logistics Centre</p>
	<p><b>1</b> China United Int'l Rail Containers</p>
	<p><b>3</b> Port projects in Xiamen and Tianjin</p>
 <p><b>Aviation</b></p>	<p><b>2</b> Global aircraft leasing companies</p>
	<p><b>1</b> Beijing Capital Int'l Airport</p>

# Infrastructure AOP by Segment

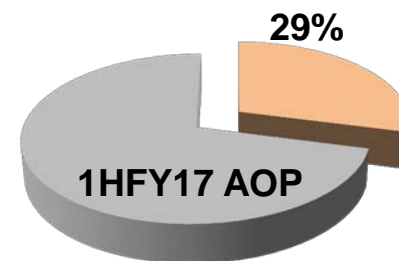
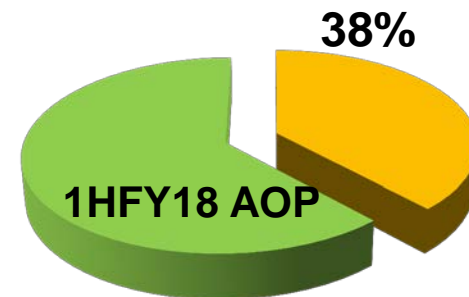
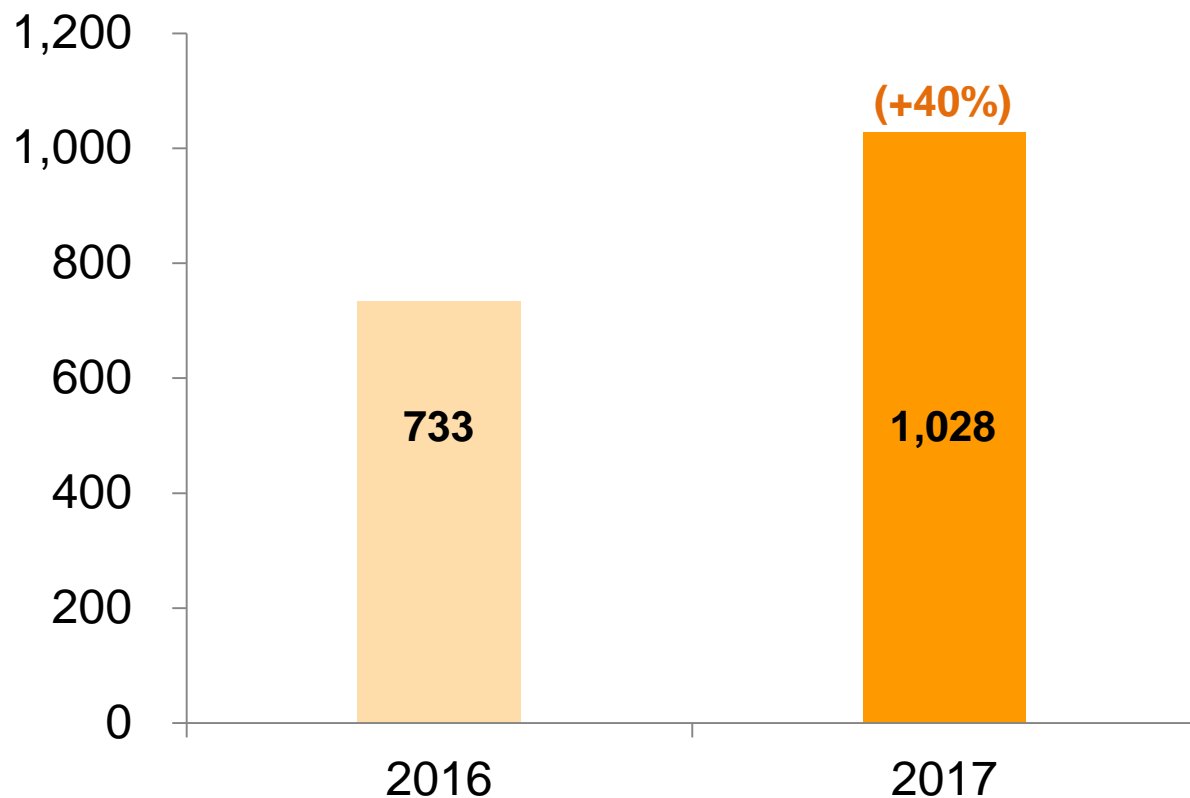
For the six months ended 31 December	2017 (HK\$'M)	2016 (HK\$'M)	Change (%)
Roads	1,027.8	733.2	 40
Environment	293.8	256.4	 15
Logistics	338.5	316.1	 7
Aviation	365.2	219.0	 67
Total	2,025.3	1,524.7	 33



## AOP - Roads

For the six months  
ended 31 Dec

HK\$'M



### Highlights – Roads

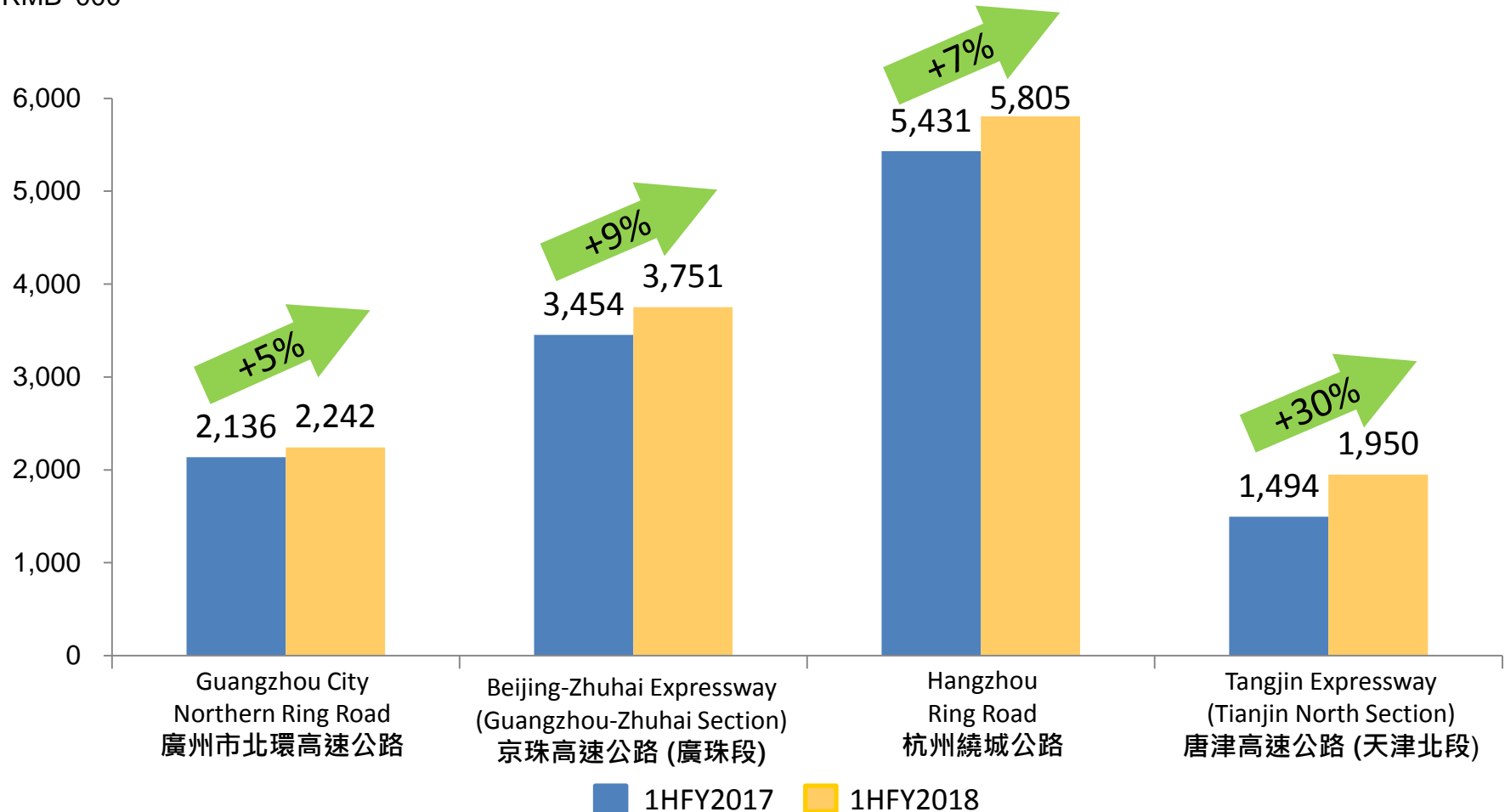
- ❑ AOP boosted by overall traffic growth of 10% and RMB exchange gains
  
- ❑ Pearl River Delta Region
  - Traffic of Guangdong projects up 11%
  
- ❑ Yangtze Delta Region
  - Traffic of Hangzhou Ring Road 杭州繞城公路 up 5%
  
- ❑ Tianjin Binhai New Area
  - Traffic of Tangjin Expressway (Tianjin North Section) 唐津高速公路 (天津北段) up 17%

## Highlights – Roads (Cont'd)

- Healthy revenue growth

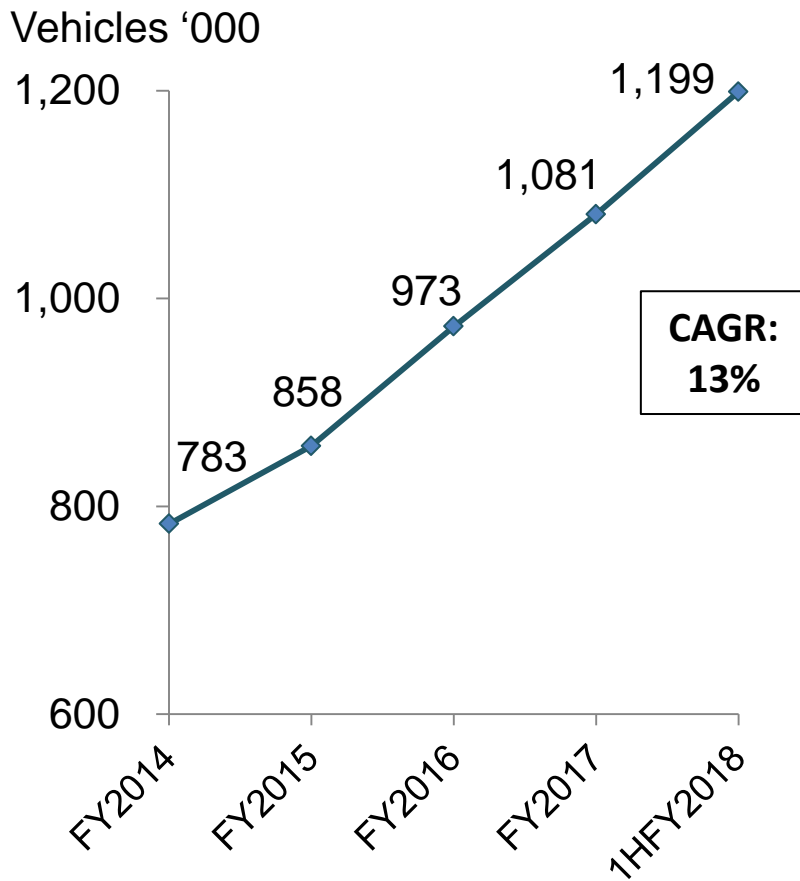
### Average Daily Toll Revenue

RMB '000

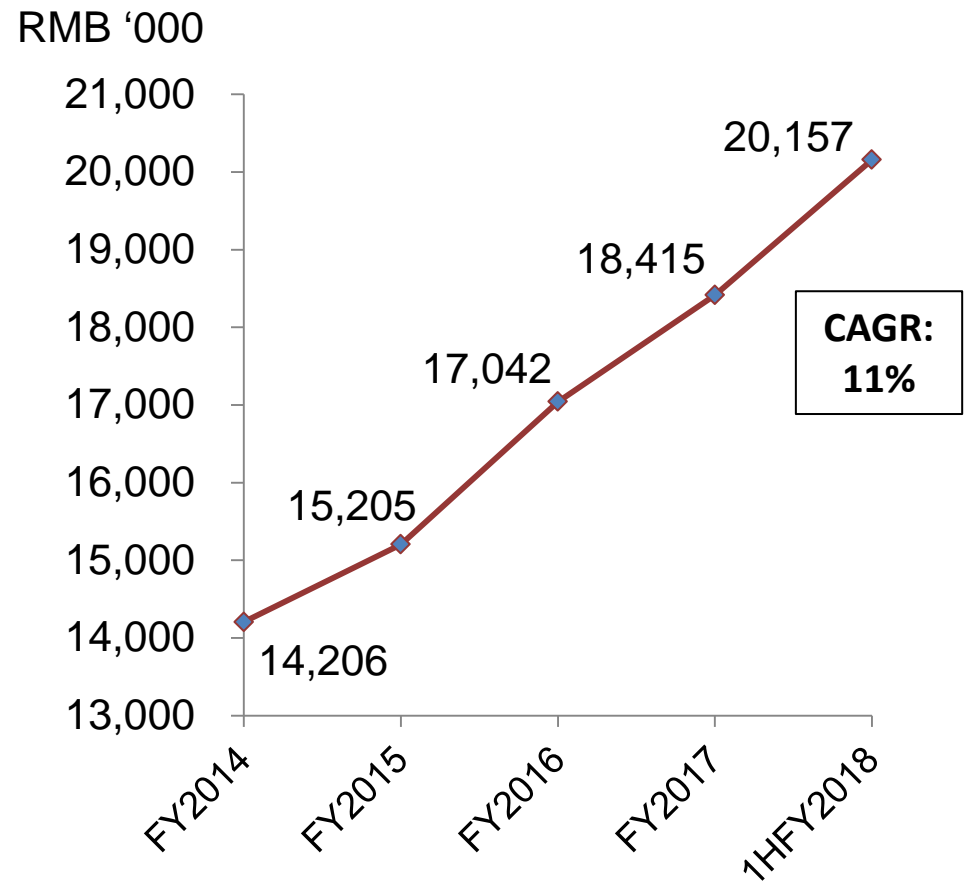


## 5-Year Summary (Mainland China Road Projects)

### Average Daily Traffic Flow \*



### Average Daily Toll Revenue \*

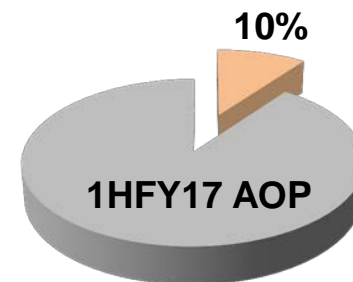
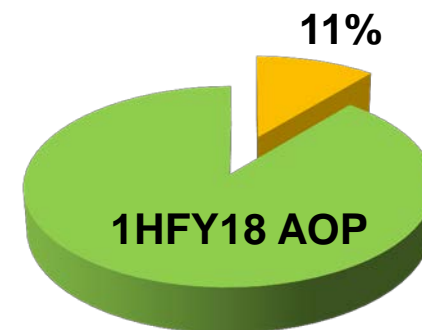
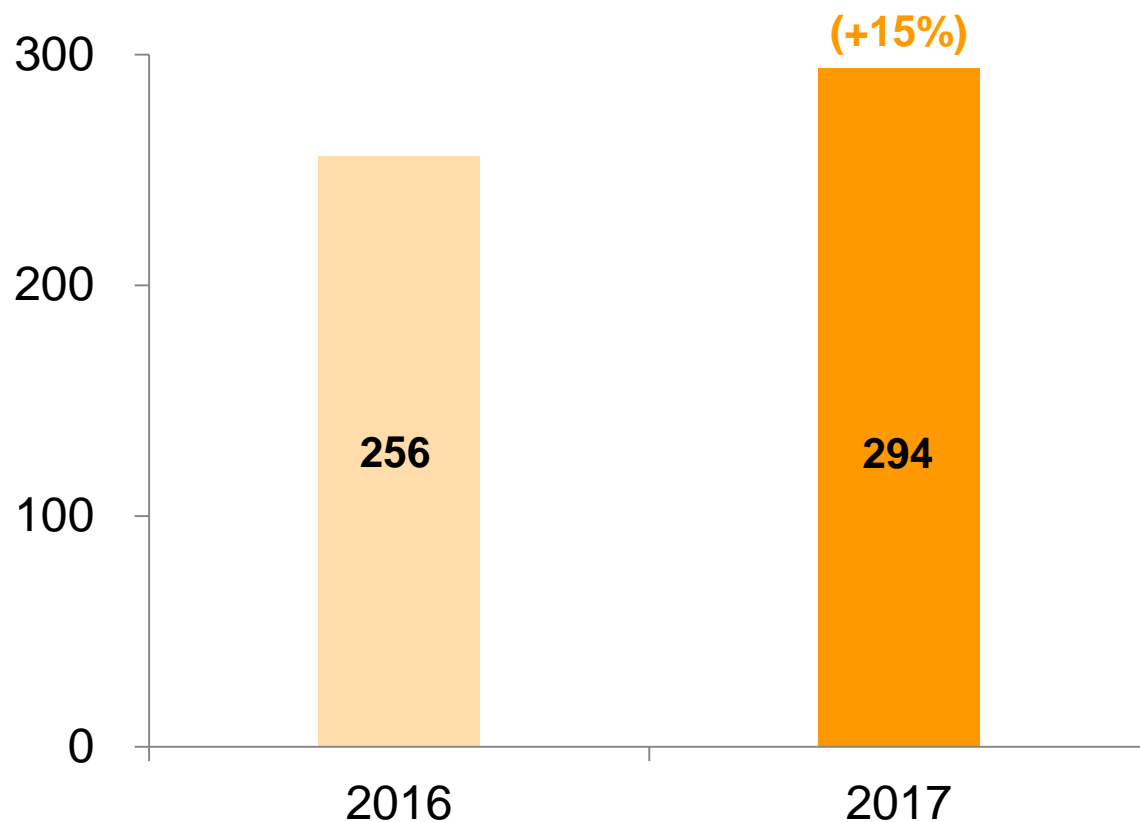


\* For existing roads projects as at 31 December 2017

## AOP – Environment

For the six months  
ended 31 Dec

HK\$'M



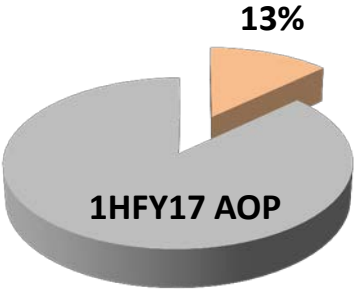
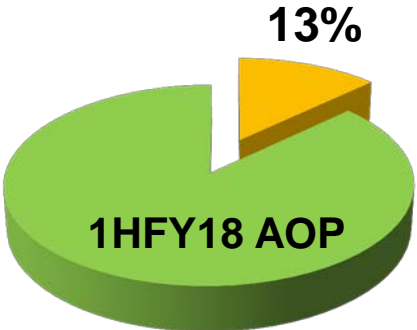
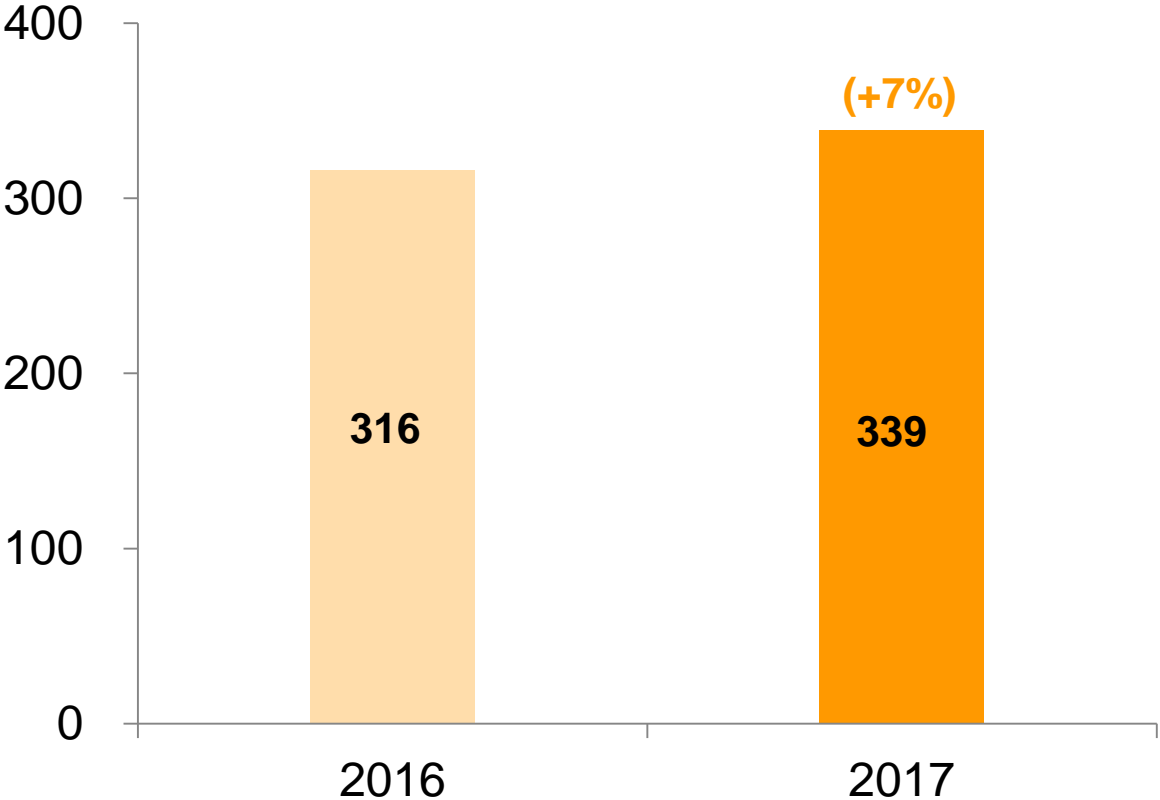
## Highlights – Environment

- SUEZ NWS 蘇伊士新創建 (SUEZ 58% and NWS 42%)
  - Water sales and wastewater treatment volume up 10%
  
- Chongqing Derun Environment 重慶德潤環境
  - Results enhanced by VAT subsidy on wastewater and rising waste incineration demand
  
- Energy
  - High coal price continued to impact the profitability of power plants

## AOP – Logistics

For the six months  
ended 31 Dec

HK\$'M



## Highlights – Logistics

### □ ATL Logistics Centre

- 96.3% occupancy rate
- Average rental up 4%
- 4-year building rehabilitation programme to be completed in 2H2018 (total CAPEX approx. HK\$400 million)





## Highlights – Logistics (Cont'd)

- Xiamen Container Terminal Group 廈門集裝箱碼頭集團
  - Combined throughput hit 10 million TEUs for the first time at Xiamen Port in 2017
  
- Tianjin port projects throughput up 3%



**Xiamen Container Terminal Group**

## Highlights – Logistics (Cont'd)

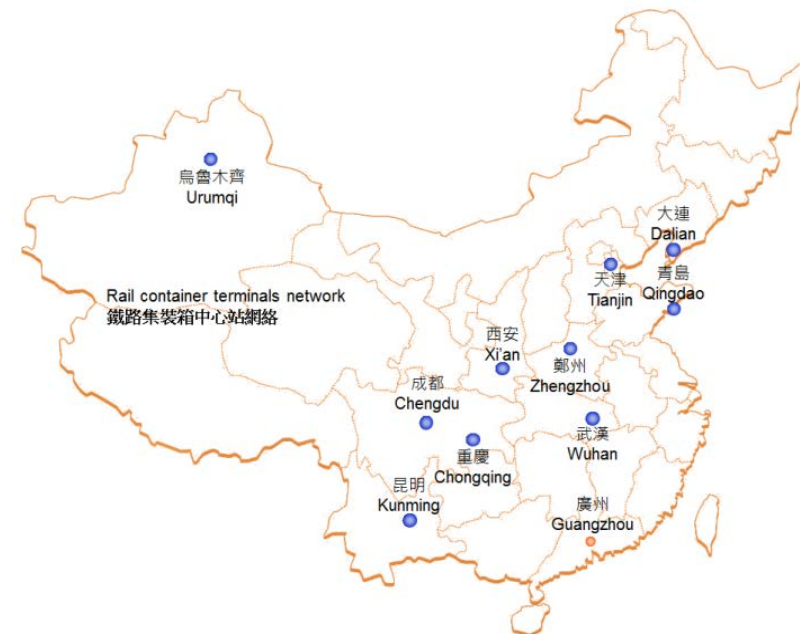
- ❑ China United Int'l Rail Containers (CUIRC)
  - Throughput up 4% to 1.4 million TEUs
  - Ramp-up of Urumqi terminal supported by the Belt & Road Initiative
  - Guangzhou terminal under planning

### 10 terminals in operation

- ◆ Kunming
- ◆ Chongqing
- ◆ Chengdu
- ◆ Zhengzhou
- ◆ Tianjin
- ◆ Qingdao
- ◆ Wuhan
- ◆ Xian
- ◆ Dalian
- ◆ Urumqi

### Terminal under planning

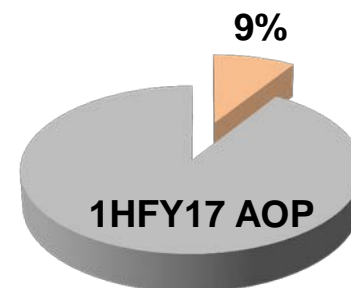
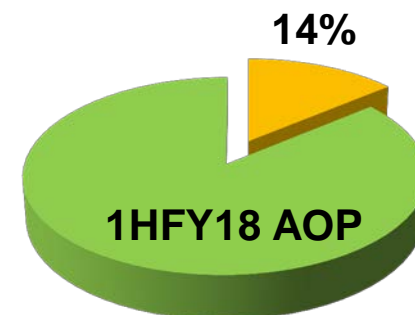
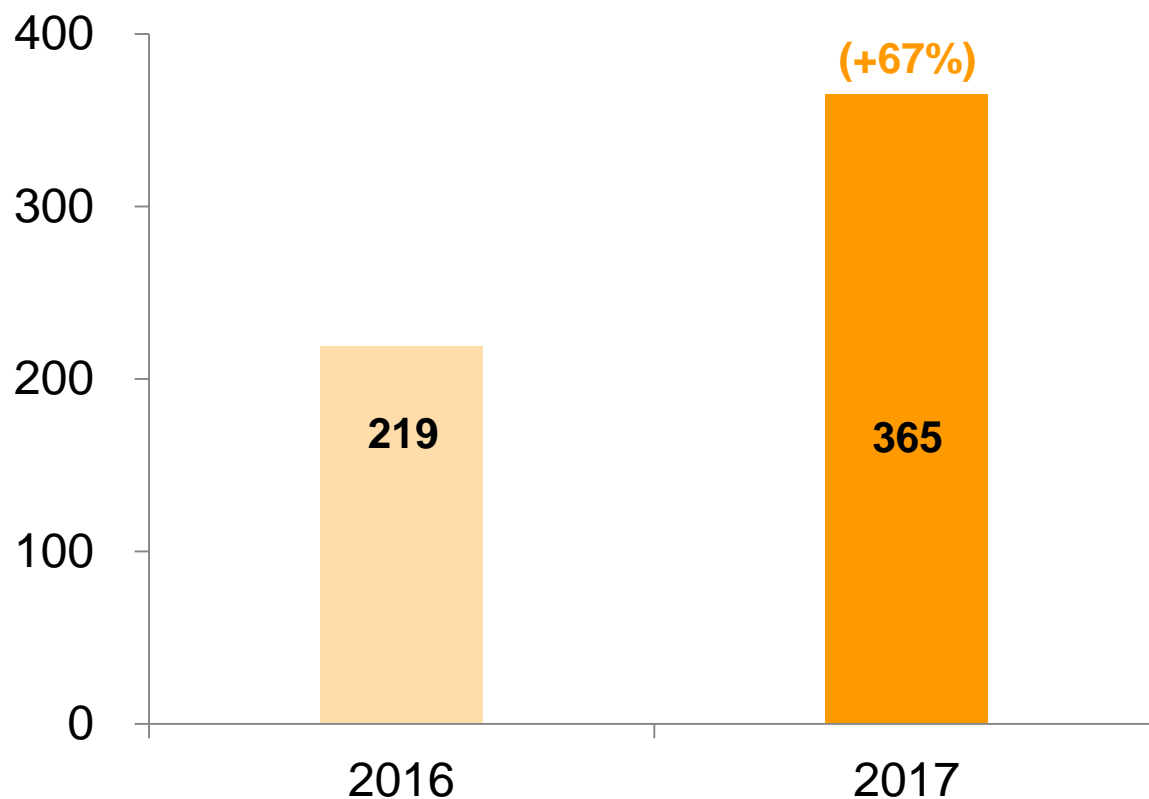
- ◆ Guangzhou



## AOP – Aviation

For the six months  
ended 31 Dec

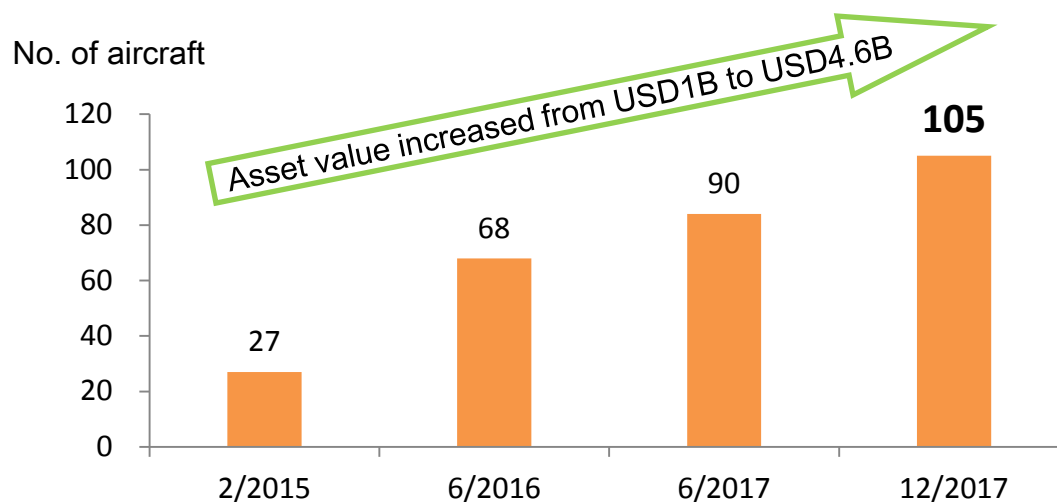
HK\$'M



## Highlights – Aviation

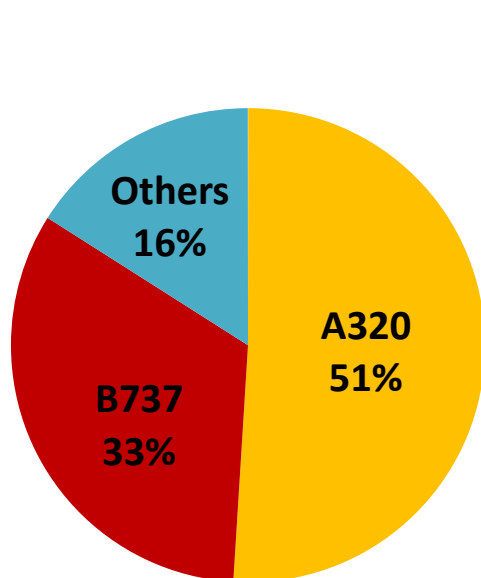
### □ Aircraft Leasing

- Fleet size of 105 (Asset value USD4.6 billion)
- Young fleet (average 3 years) with long leases attached (average 8 years)
- 13 planned aircraft delivery (as at 31 Dec 2017)

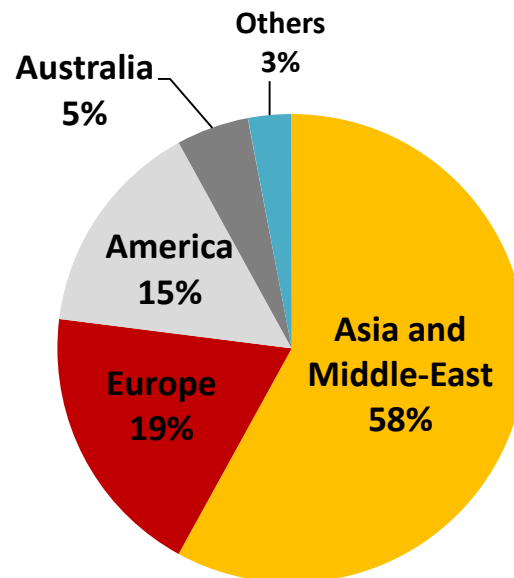


## Highlights – Aviation (Cont'd)

▣ Aircraft leasing portfolio as at 31 Dec 2017



Aircraft type



Geographical Spread

	Feb 2015	Jun 2016	Jun 2017	Dec 2017
No. of aircraft	27	68	90	105
No. of lessees	15	30	38	40
No. of countries	13	22	27	28

## Highlights – Aviation (Cont'd)

### □ Beijing Capital International Airport (BCIA) 北京首都國際機場

- Interest in H shares reduced from approx. 23.86% to 12.79% after partial disposal in Jan 2018
- Remaining interest reclassified as an available-for-sale financial asset
- Partial disposal and fair value gains totalling approximately HK\$1.8 billion to be recognized in 2HFY2018

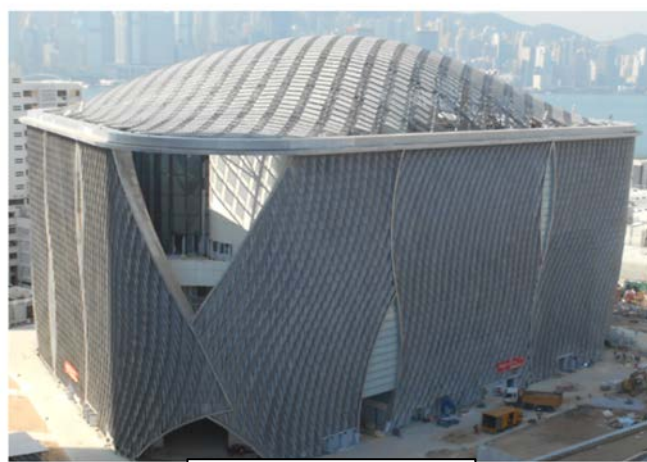




HKCEC



Free Duty Shops



Construction







Gleneagles HK Hospital



Transportation

# Services AOP by Segment

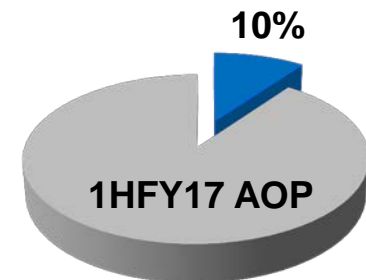
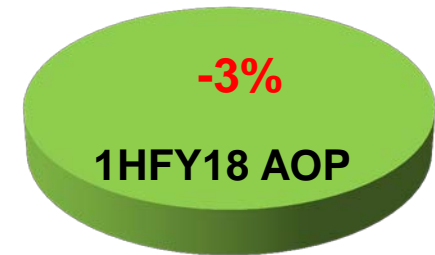
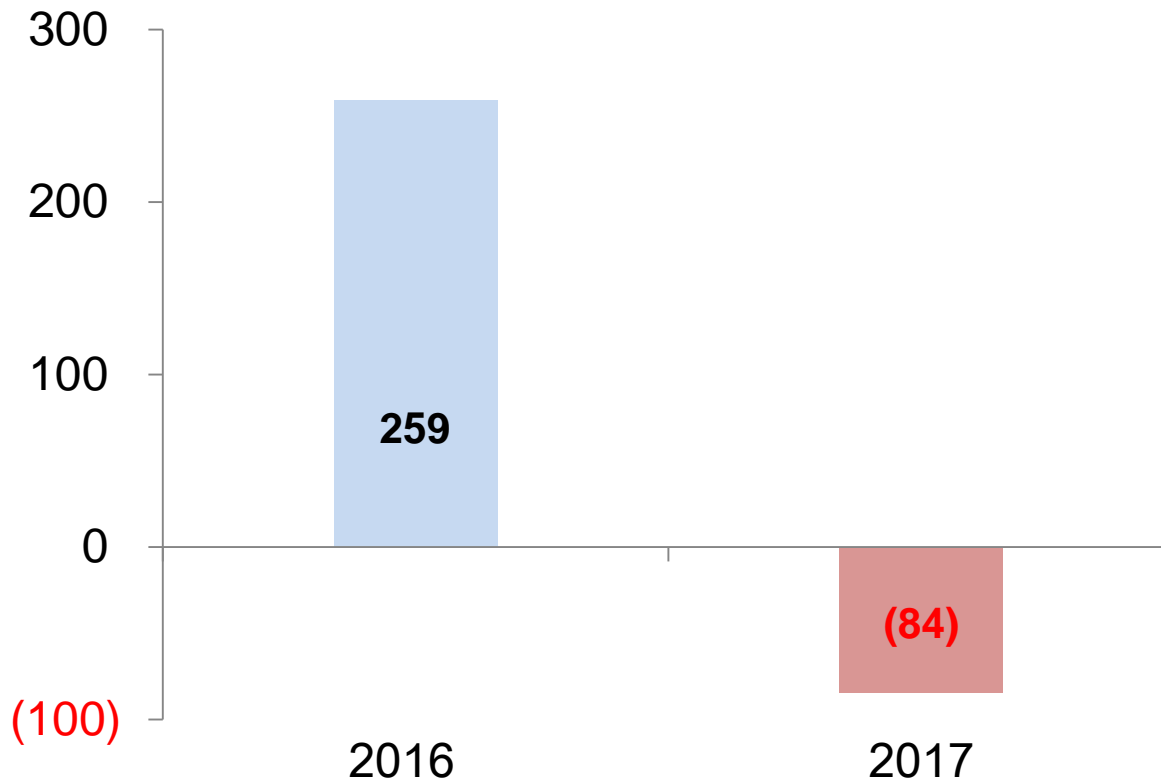
For the six months ended 31 December	2017 (HK\$'M)	2016 (HK\$'M)	Change (%)
Facilities Management	(84.4)	258.9	 133
Construction & Transport	606.6	533.6	 14
Strategic Investments	134.6	202.2	 33
<b>Total</b>	<b>656.8</b>	<b>994.7</b>	 34



## AOP – Facilities Management

For the six months  
ended 31 Dec

HK\$'M



## Highlights – Facilities Management

### □ HKCEC

- Stable revenue growth
- Won Phase II contract to 2028 through a global tender exercise

### □ Free Duty

- Performance undermined by sluggish sales and rising costs
- Traveller volume at land border crossing terminals down 4%



HKCEC

## Highlights – Facilities Management (Cont'd)

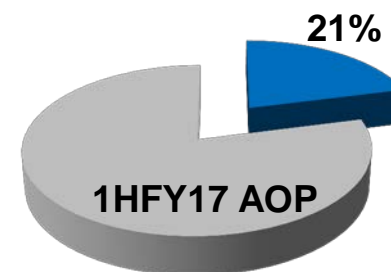
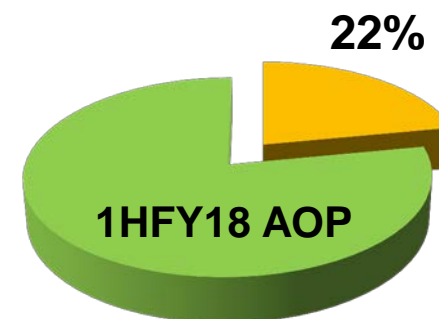
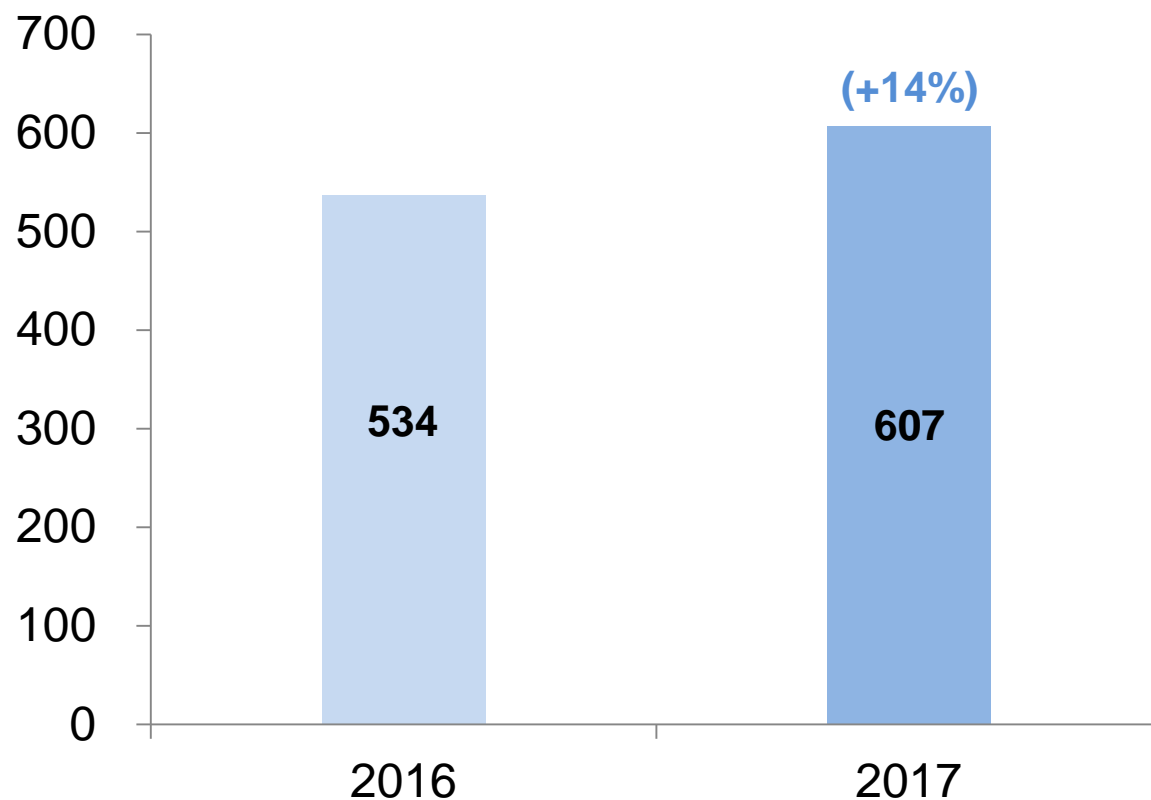
### □ Gleneagles Hong Kong Hospital

- Soft opened on 21 Mar 2017, offering more than 35 specialties & subspecialties
- Around 1,000 resident staff on board, including doctors, nurses and allied health professionals
- More than 800 visiting doctors credentialed
- Radiotherapy and Oncology Centre, Dialysis Centre, Obstetrics and 24-hour Outpatient and Emergency Services commenced operation as planned

## AOP – Construction & Transport

For the six months  
ended 31 Dec

HK\$'M



## Highlights – Construction & Transport

### □ Construction

- AOP up 16% reflecting good job progress and rising gross profits
- Gross contract-on-hand: HK\$89.6 billion
- Remaining value: HK\$45.4 billion

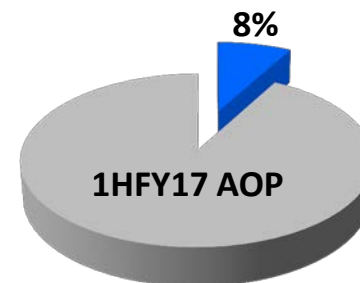
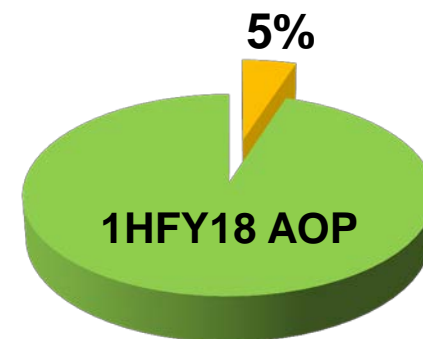
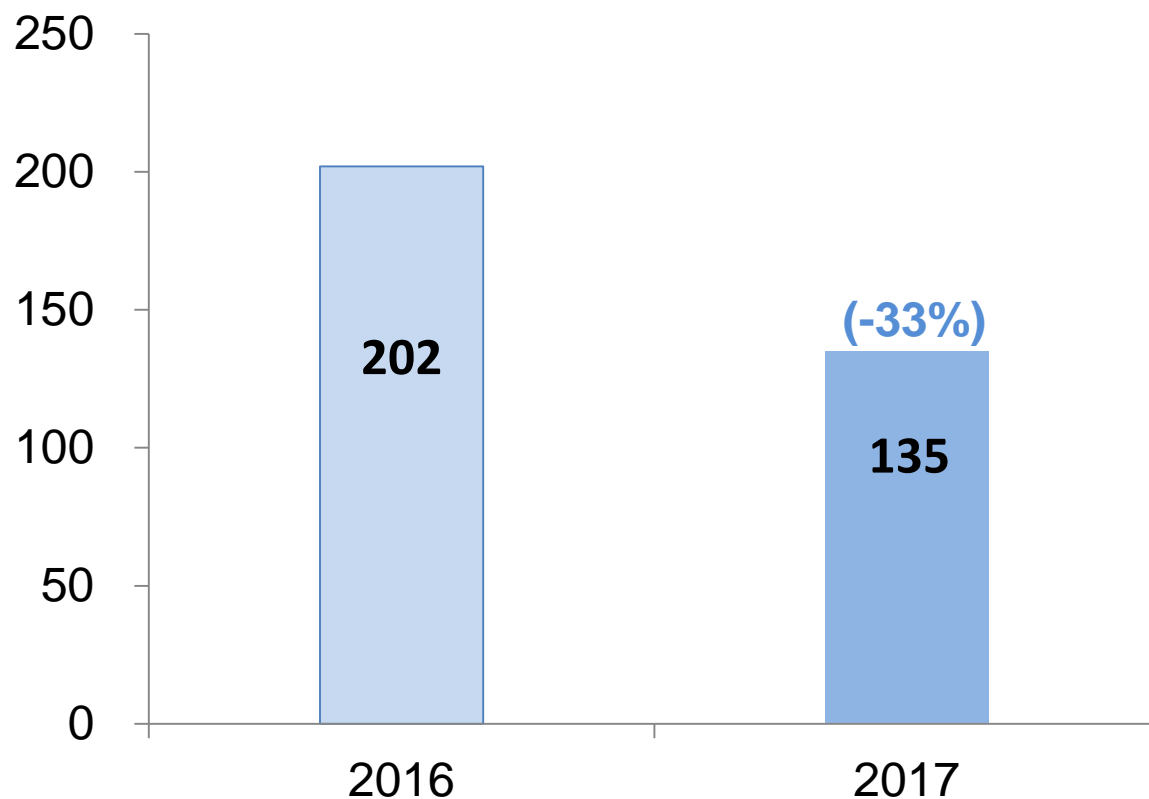
### □ Transport

- Overall bus ridership down 6% due to rail network expansion
- Bus company profit declined by 56% (HK\$247M to HK\$109M)
- Full consolidation of the whole transport business resulted in AOP growth of 5%

## AOP – Strategic Investments

For the six months  
ended 31 Dec

HK\$'M



# Infrastructure New Investments

## Roads

Location	Project	Total Investment	Relevant Data
Hubei	Suiyuenan Expressway 隨岳南高速公路	RMB 1.1B (30% effective interest)	<ul style="list-style-type: none"> <li>• 98km (dual 2-lane)</li> <li>• 2017 average daily traffic: 20K vehicles</li> <li>• Concession ends in 2040</li> </ul>

## Aviation

Location	Project	Net increase	
		Fleet Size	Asset Value
Global	Goshawk	15	USD0.9 B

# Infrastructure New Investments

## Environment

### SUEZ NWS (“SNL”)

Location	Project	Capacity (m <sup>3</sup> /day)	Total Investment	Expected Completion
Shaanxi	Sewage	5,000	RMB 80M	2019
Hainan		12,000	RMB 100M	2018
Jiangsu		40,000	RMB 84M	2018

### Chongqing Derun Environment (“Derun”)

Location	Project	Scale	Total Investment	Expected Completion
Chongqing	Changsheng River Remediation	29 km	RMB 2.5B	2021
	Changsheng Bridge Landfill Restoration	1,037 mu	RMB 250M	2018



### □ Roads

- Continuous growth in traffic volume and toll revenue
- Immediate contribution expected from Suiyuenan Expressway

### □ Environment

- Well-positioned to capture waste and environmental remediation opportunity

### □ Aviation

- Global demand for air travel underpins growth of aircraft leasing
- BCIA's investment value unlocked

### □ HKCEC

- Won a global tender to operate Phase II until 2028

### □ Construction

- Buoyant property demand and strong order book

### □ Gleneagles Hong Kong Hospital

- Satisfactory ramp-up

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Q&A Session

Connecting Lives ▶▶▶ Building Futures