



FY2017 Annual Results






Connecting Lives ▶▶▶ Building Futures



Hang Seng Corporate
Sustainability Index
Series Member 2017-2018



Financial Summary

For the year ended 30 June	2017 (HK\$'M)	2016 (HK\$'M)	Change (%)
Revenue	31,385.0	29,497.8	 6
Attributable Operating Profit (AOP)	4,840.3	4,739.6	 2
Profit Attributable to Shareholders (PAT)	5,628.9	4,912.8	 15
Basic Earnings per share (HK\$)	1.46	1.30	 12
Dividend per share (HK\$)	1.45	0.65	 123

Financial Position

	As at 30 Jun 2017 (HK\$'M)	As at 31 Dec 2016 (HK\$'M)
Total cash and bank balances	6,453	10,021
Total debt	9,683	15,357
Net debt position	3,230	5,336
Net gearing ratio	7%	12%

NWS Investment Portfolio

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



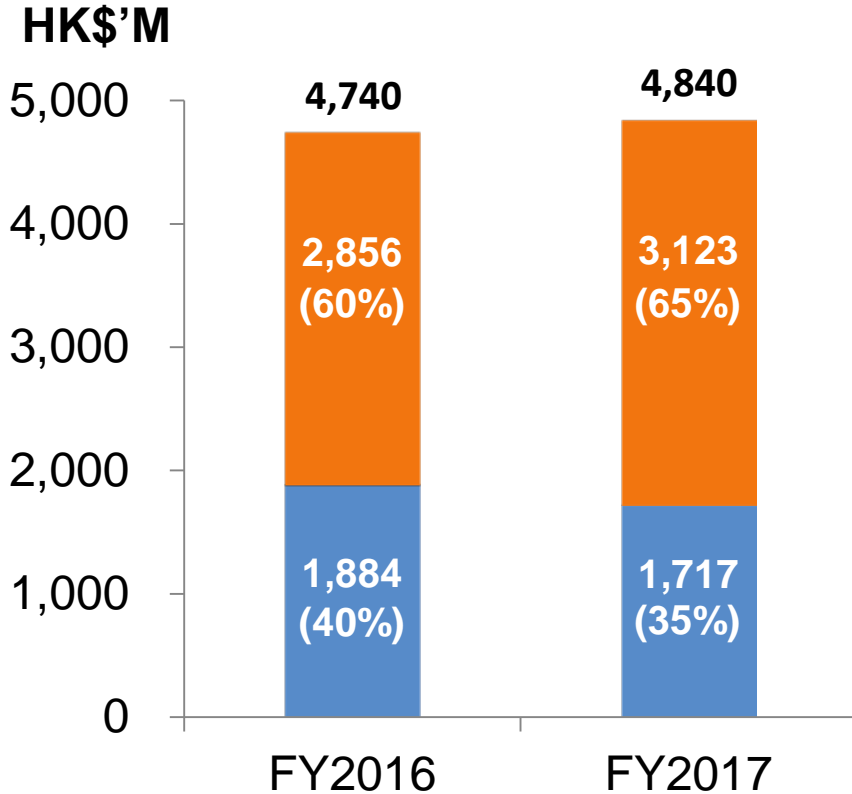
Strategic Investments
策略性投資

Attributable Operating Profit



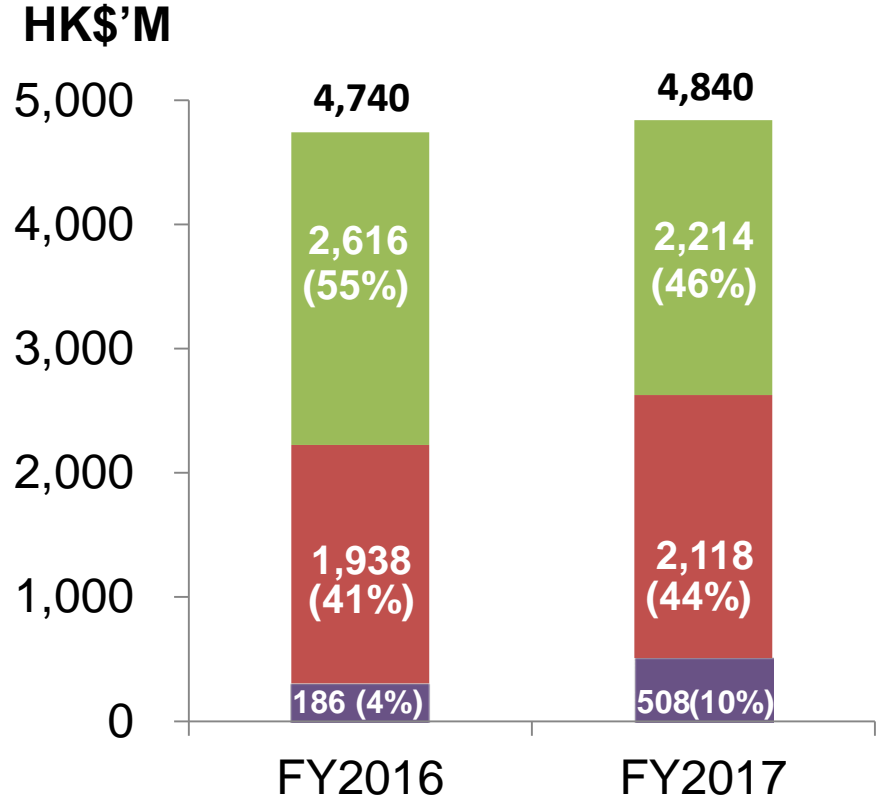
新創建 NWS

By Segment



- Infrastructure
- Services

By Region



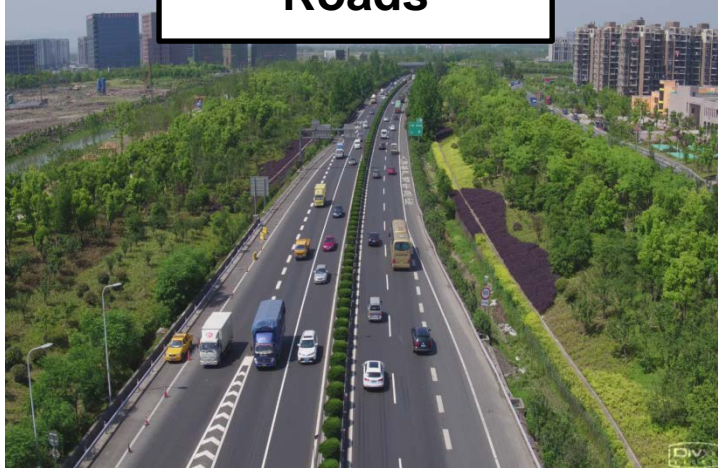
- Hong Kong
- Mainland China
- Other Territories

Infrastructure

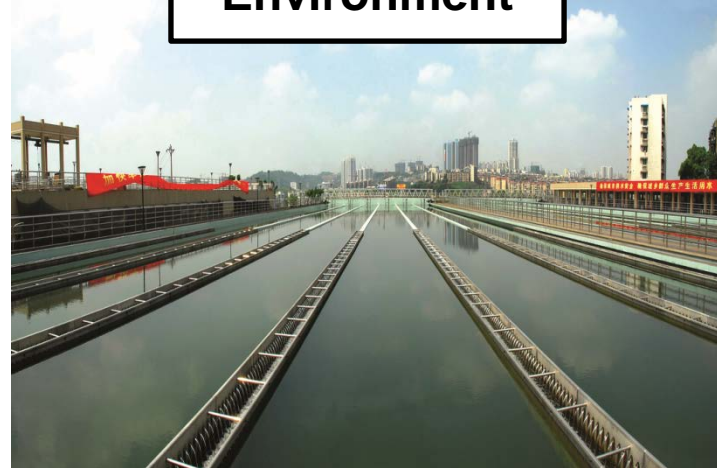


新創建 NWS

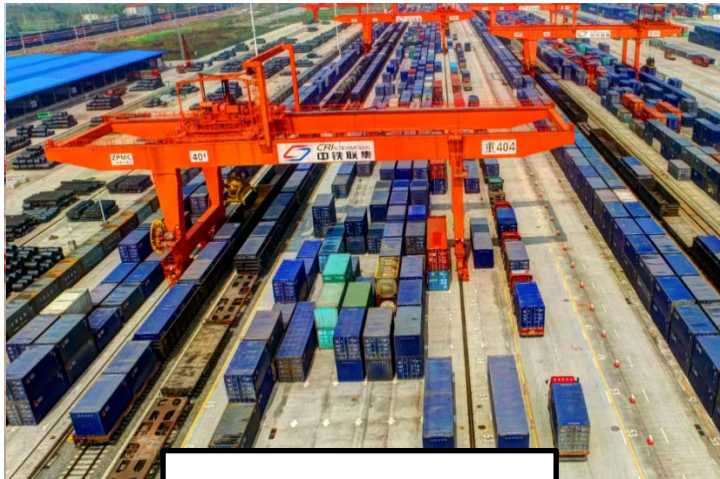
Roads



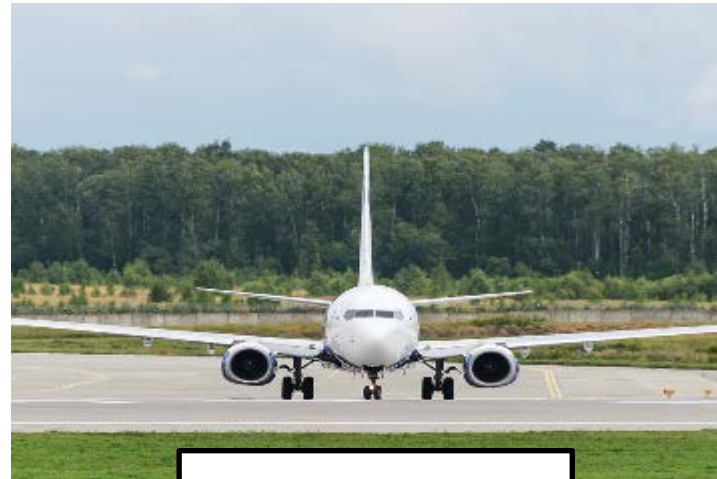
Environment



Logistics



Aviation



Infrastructure








新創建 NWS



 Roads	<p>15 Roads and related projects in Guangdong, Guangxi, Shanxi, Zhejiang and Tianjin</p>
 Environment	<p>1 SUEZ NWS with 65 environmental projects in Greater China</p> <hr/> <p>1 Chongqing Derun Environment</p> <hr/> <p>2 Power plants in the PRC</p>
 Logistics	<p>1 ATL Logistics Centre</p> <hr/> <p>1 China United Int'l Rail Containers</p> <hr/> <p>3 Port projects in Xiamen and Tianjin</p>
 Aviation	<p>1 Beijing Capital Int'l Airport</p> <hr/> <p>2 Global aircraft leasing companies</p>

Infrastructure AOP by Segment

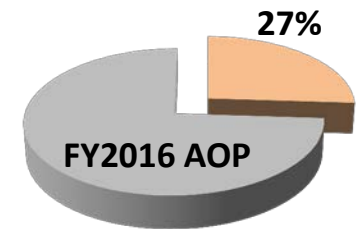
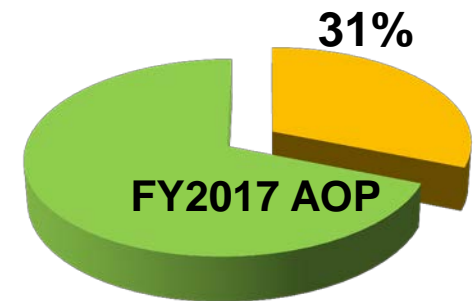
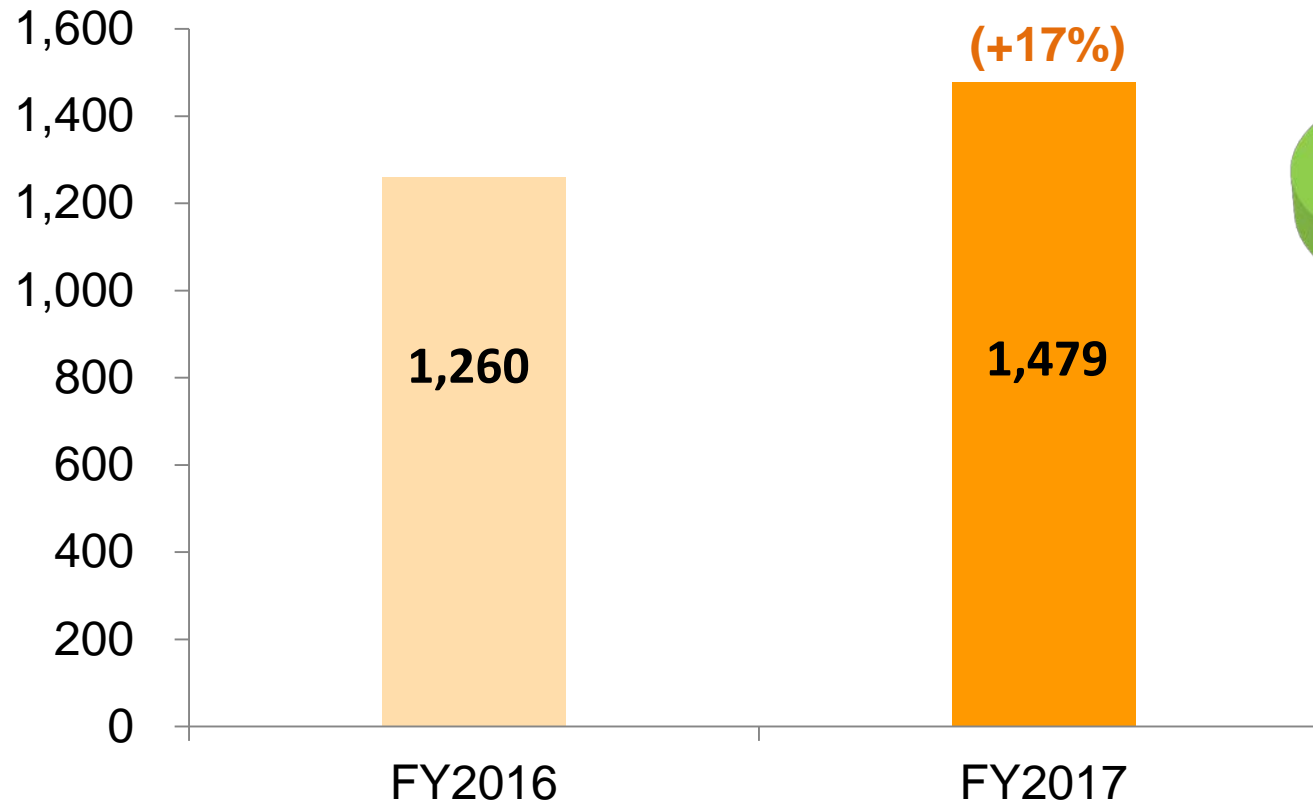


For the year ended 30 June	2017 (HK\$'M)	2016 (HK\$'M)	Change (%)
Roads	1,479.1	1,259.8	 17
Environment	392.1	469.8	 17
Logistics	641.2	702.6	 9
Aviation	610.5	424.0	 44
Total	3,122.9	2,856.2	 9

Infrastructure Roads

AOP – Roads

HK\$'M



Infrastructure Roads

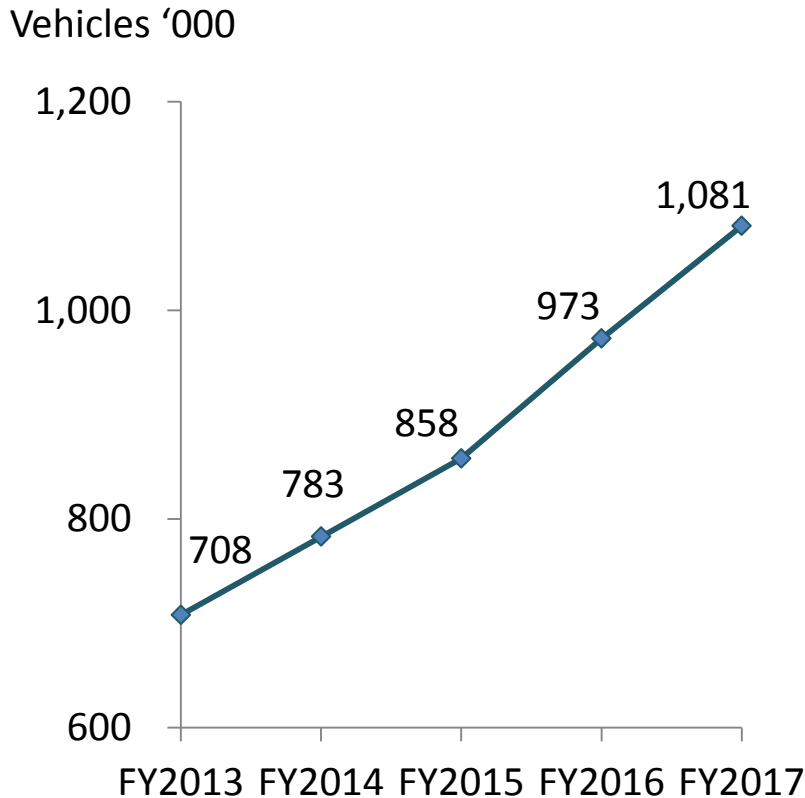


Highlights – Roads

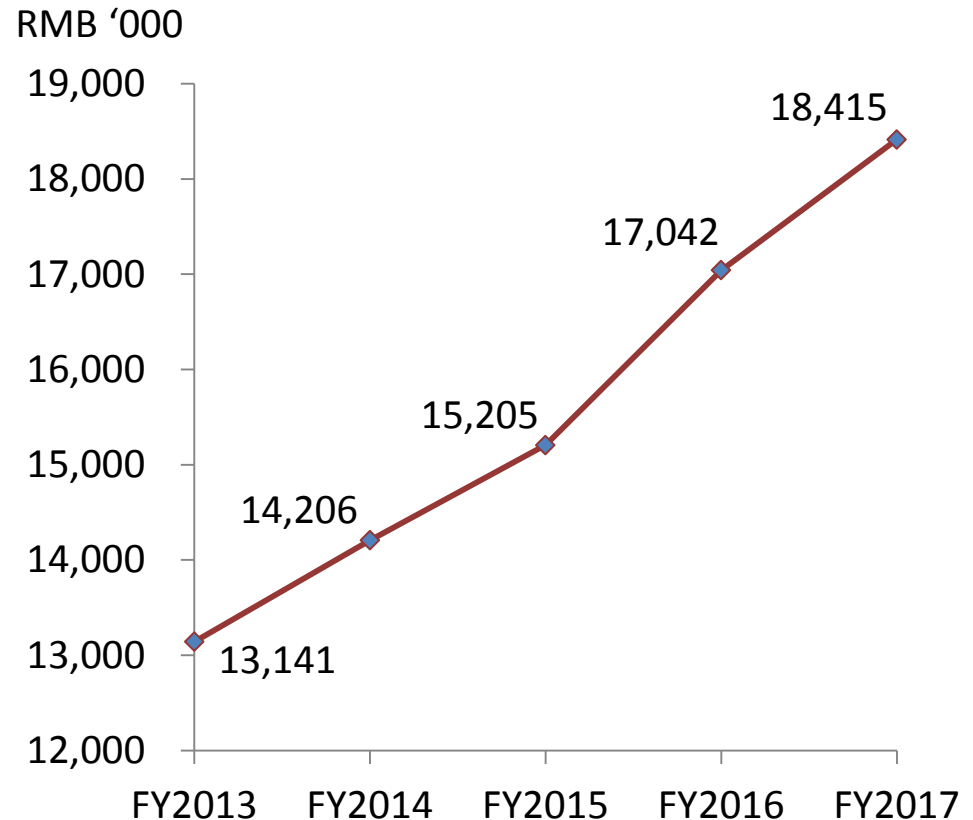
- ❑ Overall traffic growth up 11%
- ❑ Hangzhou Ring Road 杭州繞城公路
 - Full year contribution as a wholly-owned subsidiary
 - Toll revenue up 4% with rising goods vehicle patronage
- ❑ Tangjin Expressway (Tianjin North Section) 唐津高速公路(天津北段)
 - Concession extended for 11 years to 2039
- ❑ Shenzhen-Huizhou Expressway (Huizhou Section) 深圳惠州高速公路 (惠州段)
 - Traffic up 14%
 - Toll revenue up 42% under new toll rate (approved in Mar 2016)

5-Year Summary (Mainland China Road Projects)

Average Daily Traffic Flow *



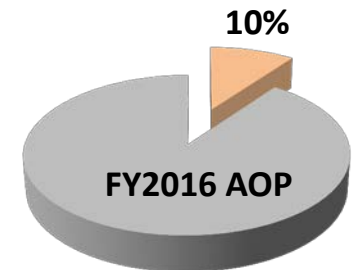
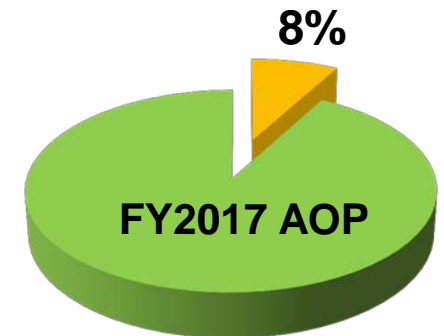
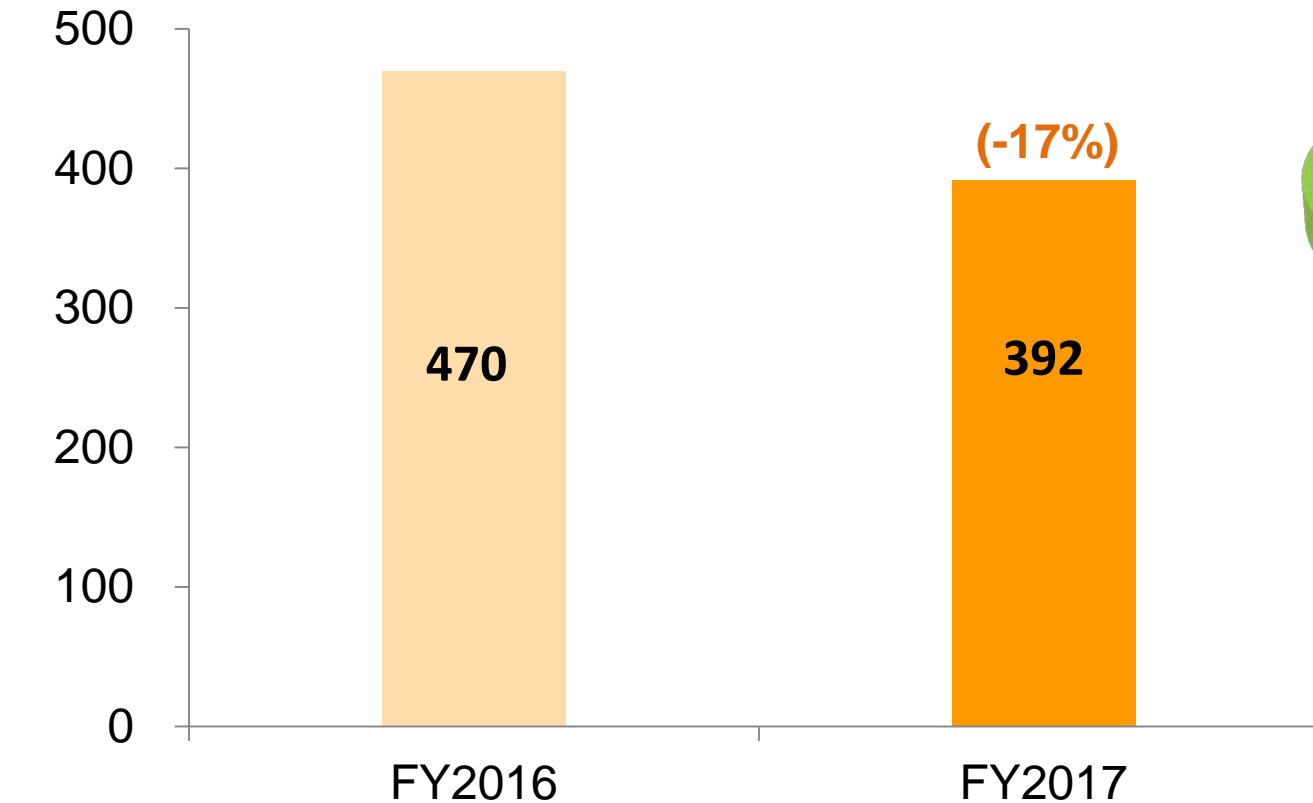
Average Daily Toll Revenue *



* For existing roads projects as at 30 June 2017

AOP – Environment

HK\$'M



Highlights – Environment

□ SUEZ NWS 蘇伊士新創建

- Comprehensive environmental services provider in Greater China (SUEZ 58% and NWS 42%)
- AOP from the enlarged platform boosted water and waste treatment earnings in FY2017

□ Chongqing Derun Environment 重慶德潤環境

- Results impacted by backdated VAT expenses incurred by Chongqing Water Group (SH:601158)

□ Energy

- Profitability of power plants eroded by rising coal price
- Coal-fired on-grid tariff was effectively raised by around 3% from 1 Jul 2017
- Zhujiang Power Station – Phase 1 disposed in Apr 2017

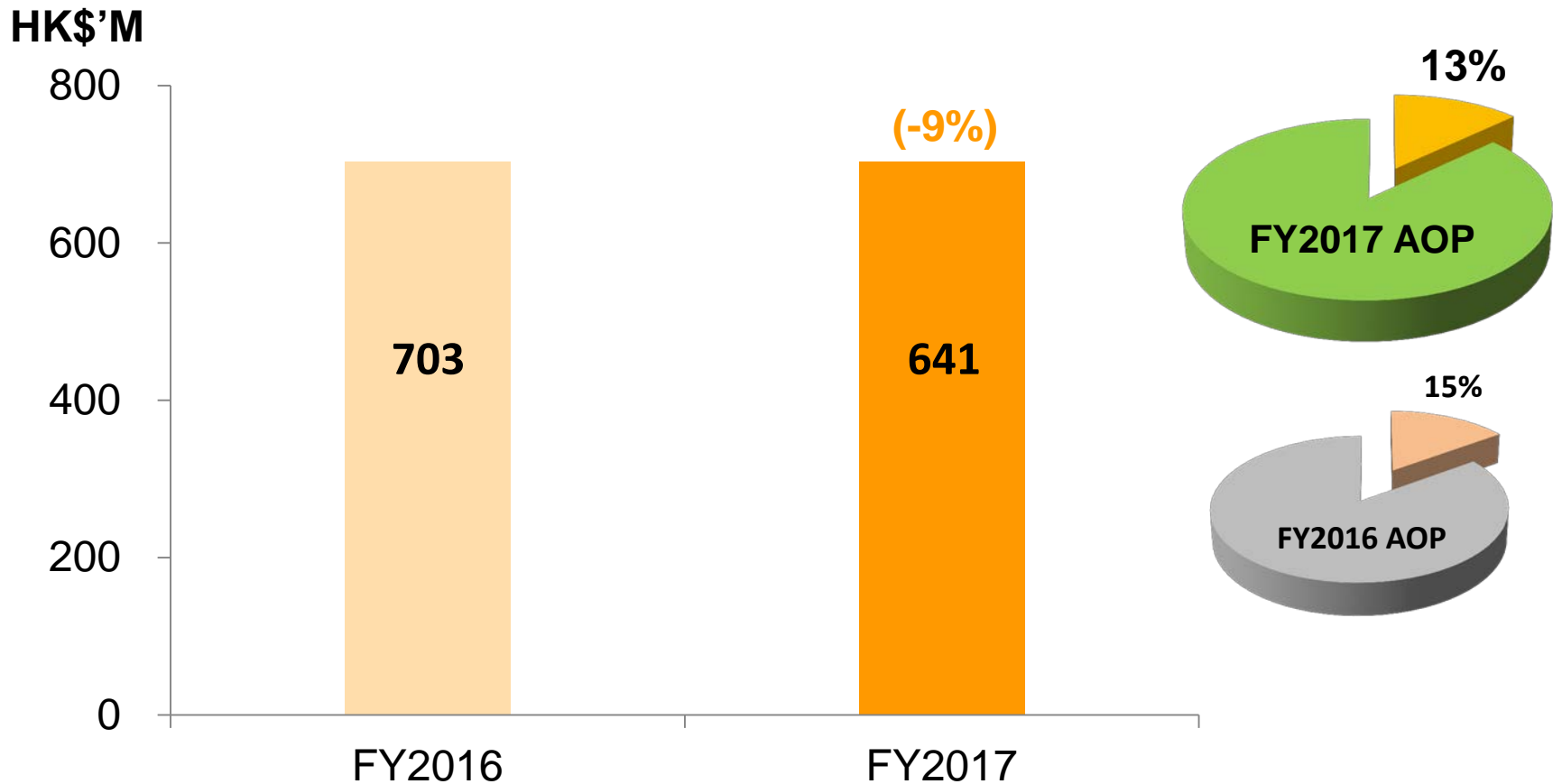
Highlights – Environment (Cont'd)

New Investments



Location	Facility	Total Investment	Capacity	Completion
Macau	Seac Pai Van Water Treatment Plant	MOP 1B	130,000 m ³ per day	2019
Jiangsu	Hazardous Waste Incineration Plants <ul style="list-style-type: none">- Changzhou- Qidong- Taixing	RMB 953M	88,300 tonnes per annum	2018

AOP – Logistics



Highlights – Logistics

- ATL Logistics Centre
 - 97.1% occupancy rate
 - Average rental up 5%

- NWS Kwai Chung Logistics Centre
 - Disposed in Aug 2016



Highlights – Logistics (Cont'd)

- Xiamen Container Terminal Group 廈門集裝箱碼頭集團
 - Throughput up 4%

- Tianjin port projects throughput up 4%



Xiamen Container Terminal Group

Highlights – Logistics (Cont'd)

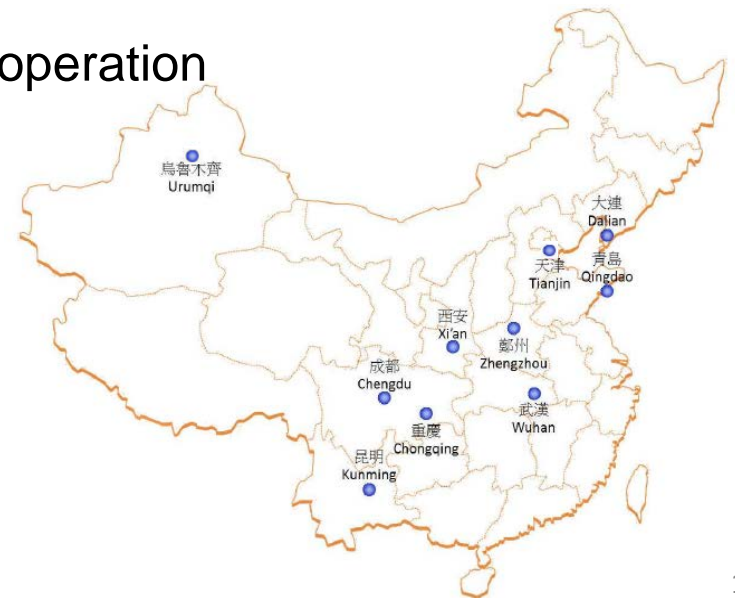
□ China United Int'l Rail Containers (CUIRC)

➤ Throughput up 23% to 2.53 million TEUs reflecting rising demand for break-bulk cargo (批量快運) and international block train services

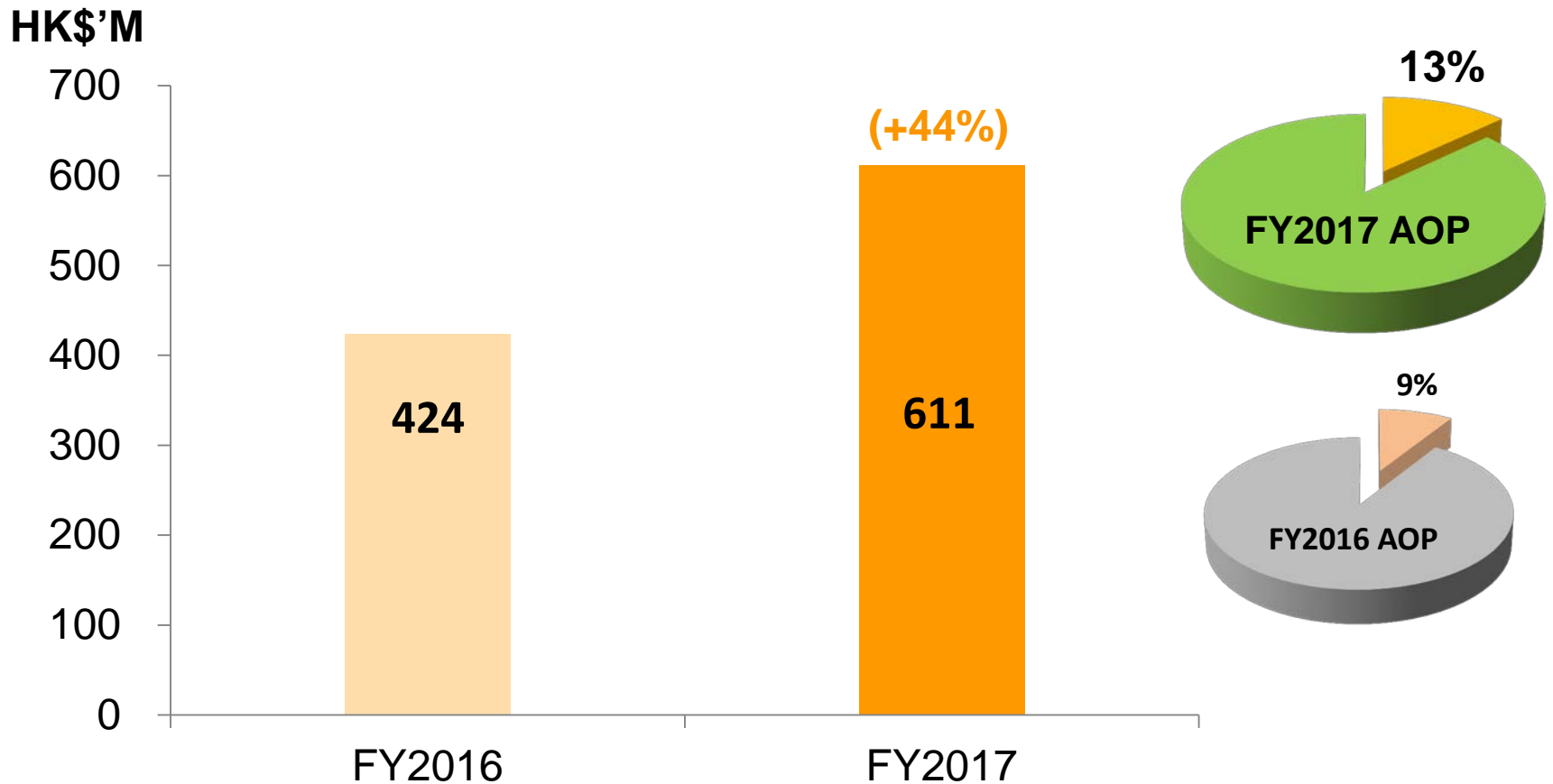
➤ Tianjin and Urumqi terminals commenced operation in FY2017

10 terminals in operation

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



AOP – Aviation



Infrastructure

Aviation

Highlights – Aviation

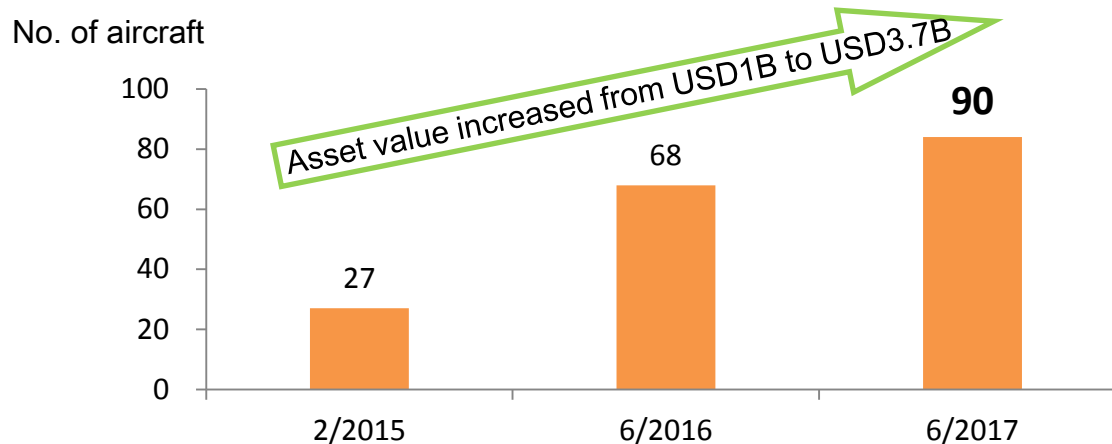
- Beijing Capital International Airport (BCIA)
北京首都國際機場
 - Passenger throughput up 4% to 95 million
 - Revenue up 6%



BCIA

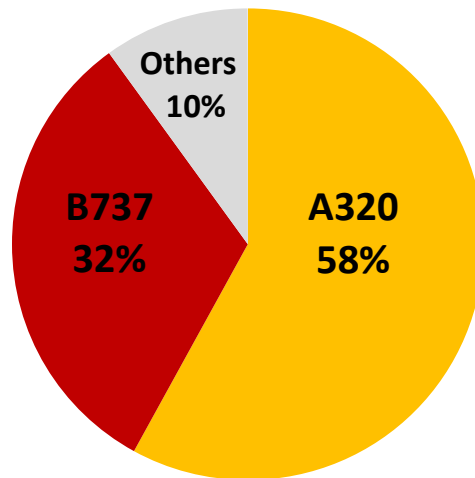
Highlights – Aviation (Cont'd)

- ❑ Aircraft Leasing (Goshawk & Bauhinia)
 - Combined fleet size of 90 (Asset value USD3.7 billion)
 - Young fleet (average 3.3 years) with long leases attached (average 7.3 years)
 - 27 planned aircraft delivery (as at 31 Aug 2017)

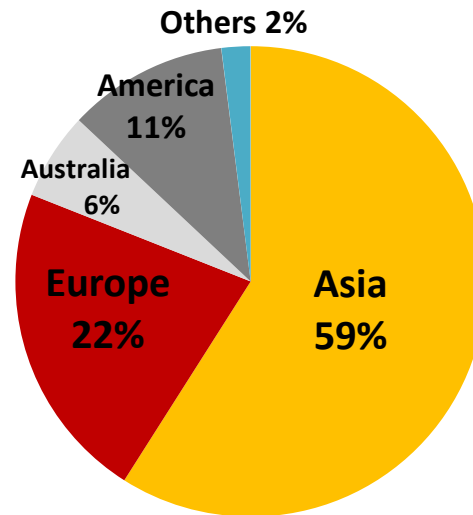


Highlights – Aviation (Cont'd)

□ Aircraft leasing portfolio as at 30 Jun 2017



Aircraft type



Geographical Spread

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

Services

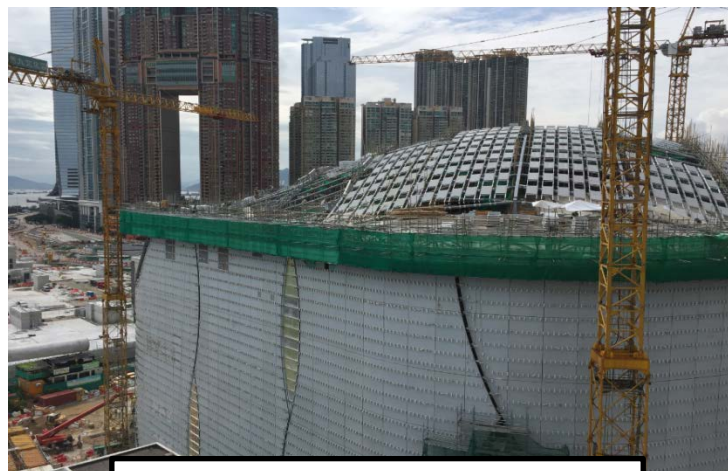
HKCEC



Free Duty Shops



Construction







Transportation



Services AOP by Segment

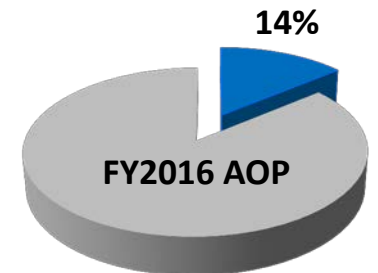
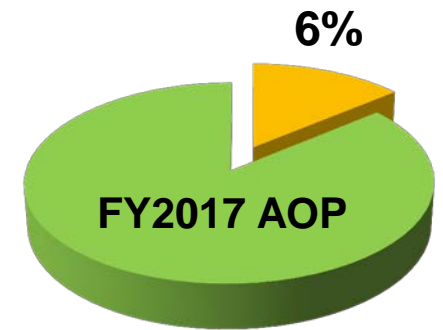
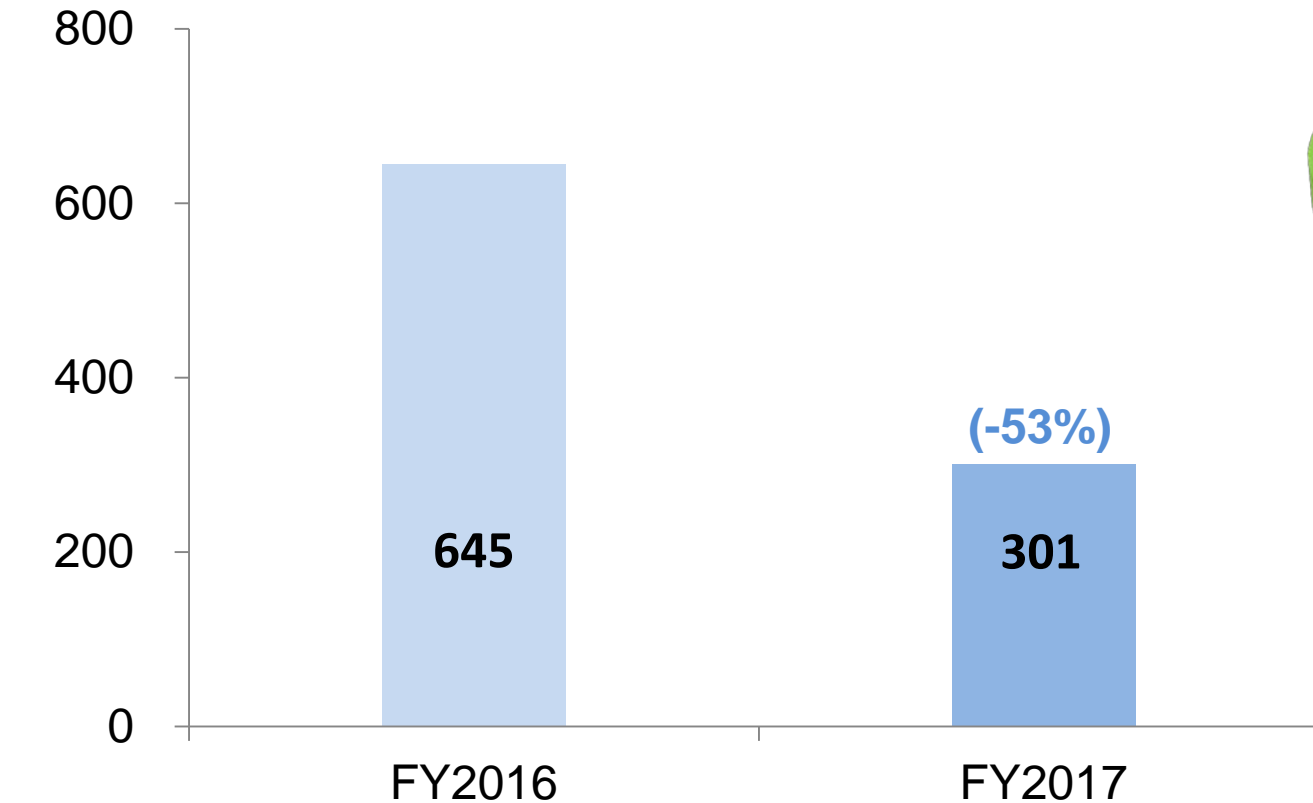


For the year ended 30 June	2017 (HK\$'M)	2016 (HK\$'M)	Change (%)
Facilities Management	301.1	645.0	 53
Construction & Transport	1,131.8	911.6	 24
Strategic Investments	284.5	326.8	 13
Total	1,717.4	1,883.4	 9

Services Facilities Management

AOP – Facilities Management

HK\$'M



Services Facilities Management

Highlights – Facilities Management

□ HKCEC

- Stable performance despite economic headwinds
- 1,102 events with total patronage of 5.7 million



HKCEC

□ Free Duty

- Performance undermined by reduced tourist spending and rising costs
- Lo Wu and Lok Ma Chau concessions renewed until 2022

Services Facilities Management

Highlights – Facilities Management

□ Gleneagles Hong Kong Hospital

- Soft opened on 21 Mar 2017, offering 35 specialties & subspecialties
- Recruited about 1,000 resident staff, including doctors, nurses and allied health professionals
- More than 700 visiting doctors credentialed
- Remaining services: 24-Hour A&E, obstetrics and dialysis centre will commence operation in 4Q2017

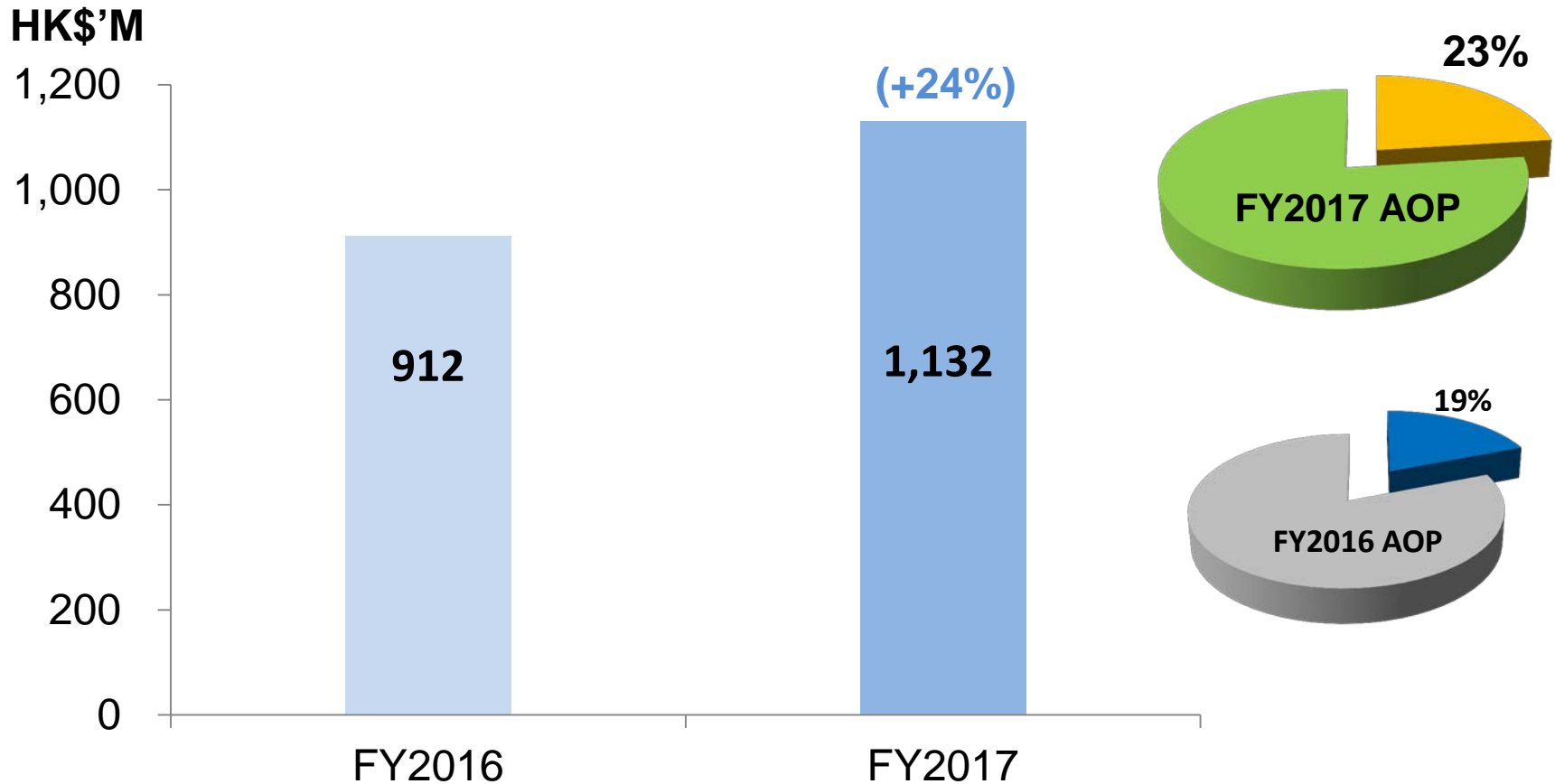


Gleneagles Hong Kong Hospital

Services Construction & Transport



AOP – Construction & Transport



Highlights – Construction & Transport

□ Construction

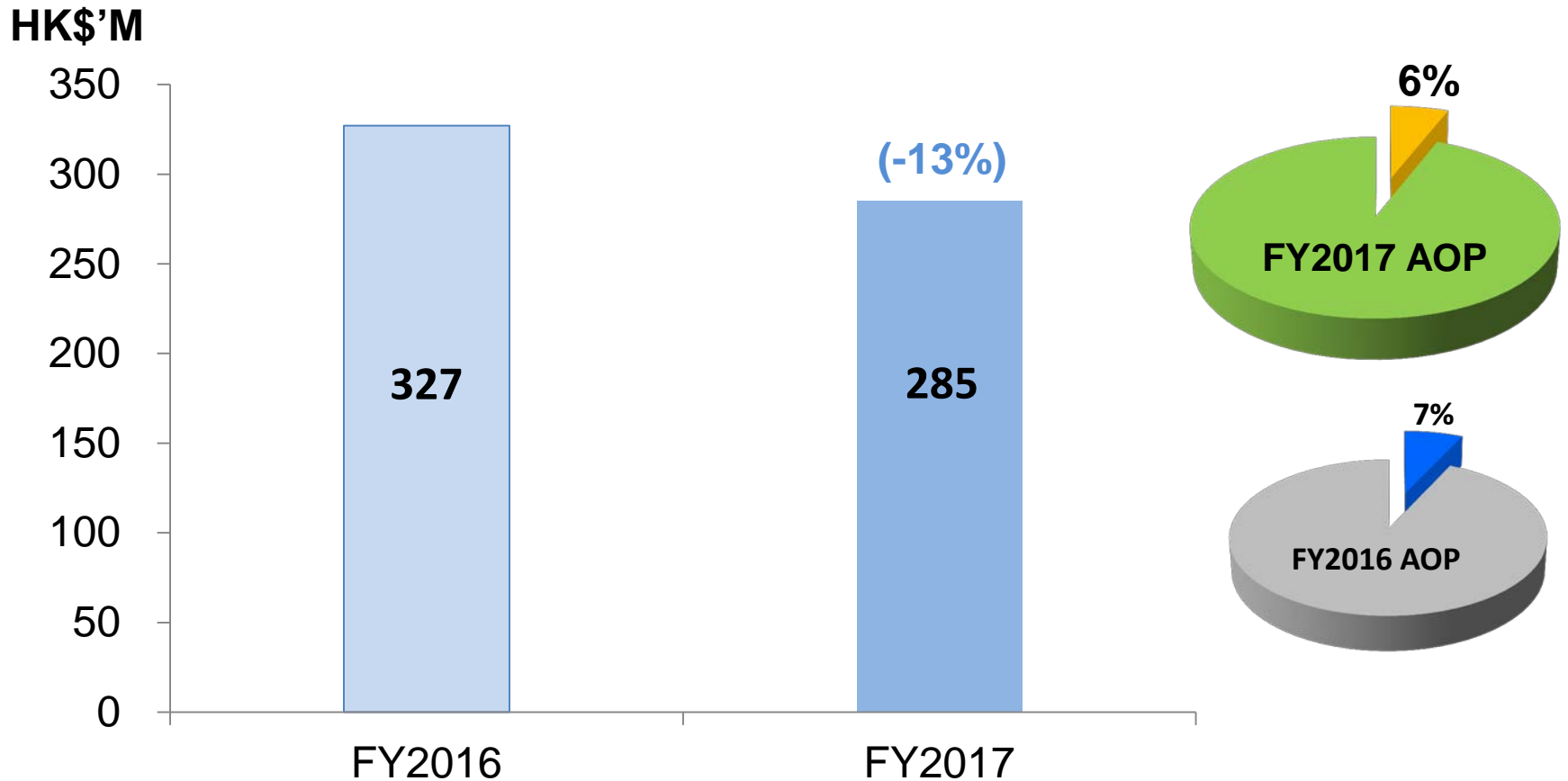
- AOP up 27% reflecting good job progress and rising margins
- Gross contract-on-hand: HK\$87.6 billion
- Remaining value: HK\$54.7 billion

□ Transport

- AOP up 13% with full consolidation of NWS Transport Services Limited (“NWS Transport”) in 2HFY2017

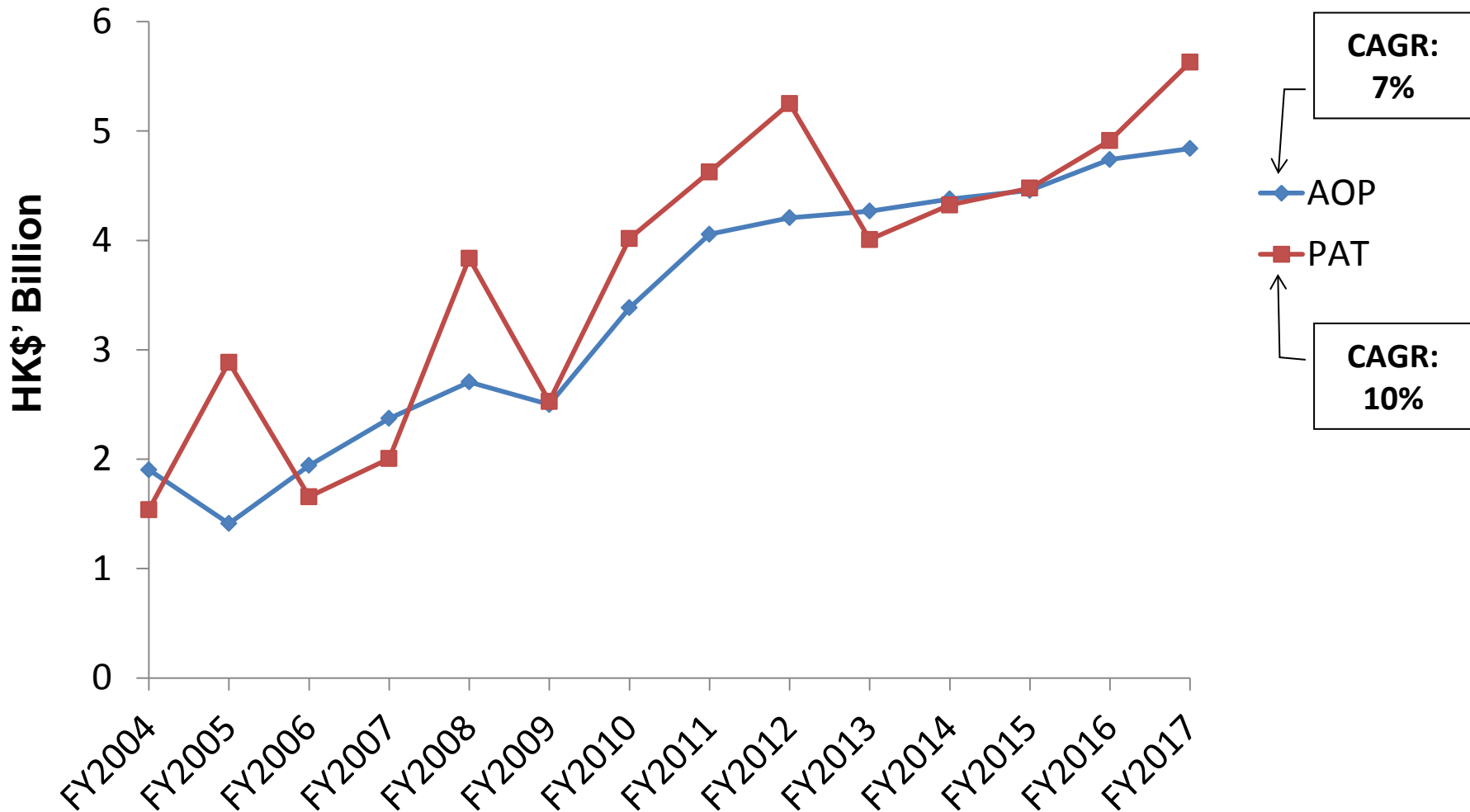
Services Strategic Investments

AOP – Strategic Investments





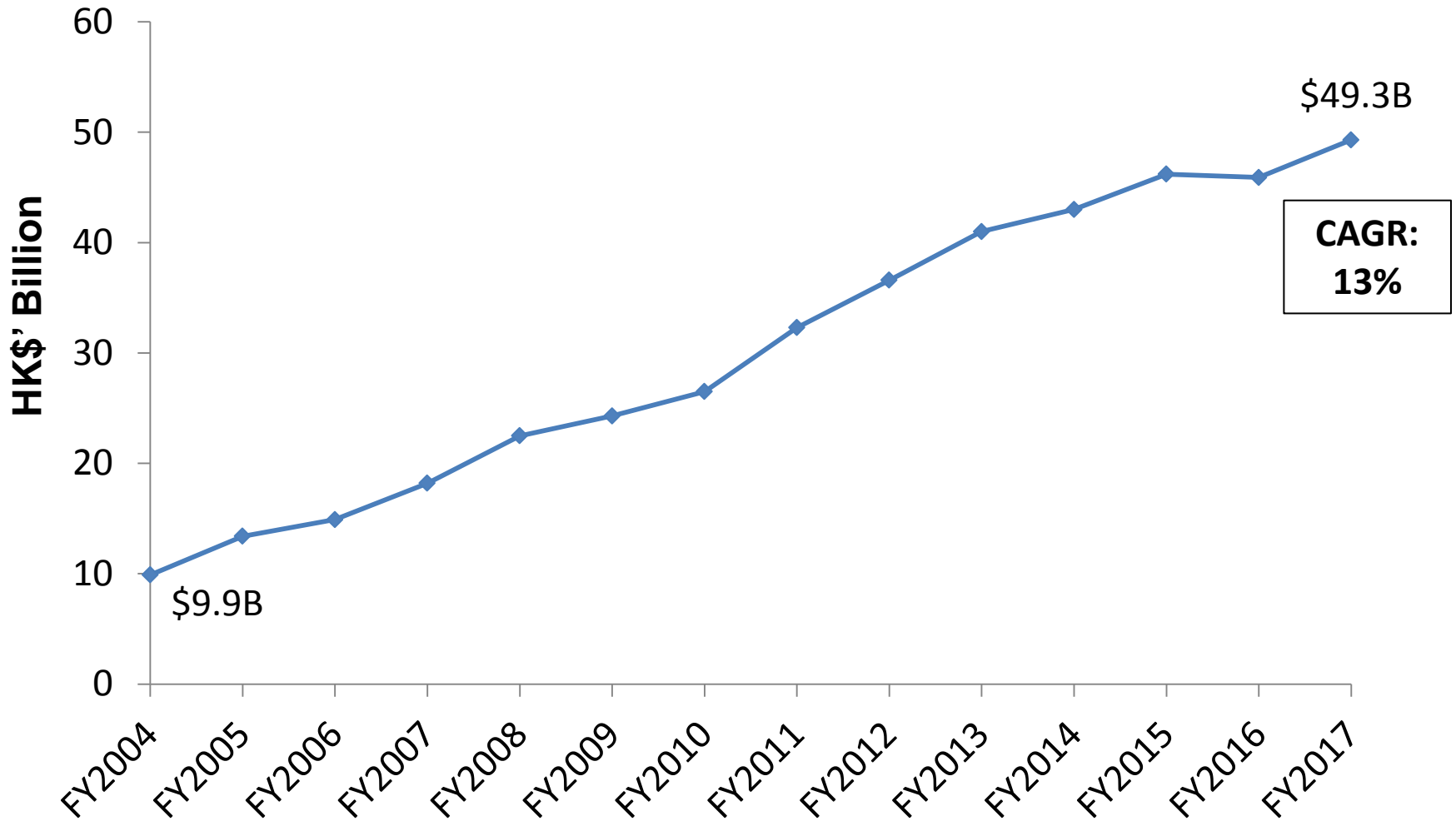
AOP & PAT





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Net Assets



Conclusions & Outlook

Infrastructure



Sustainable growth path ahead

□ Roads

- Traffic volume and toll revenue growth supported by a growing Chinese economy
- Actively pursuing new investment opportunities including acquisitions, road expansions and PPP projects

□ Environment

- Increasing need for integrated waste management, hazardous waste and environmental remediation services

□ Aircraft Leasing

- Ride on strong air travel demand and rising trend for airlines in opting for leasing services

Outlook & Conclusion

Services



Growth foundation in place

□ Construction

- Vibrant construction market and strong order book

□ Transport

- Full-year contribution from NWS Transport from FY2018 notwithstanding competition from MTR's network expansion

□ Gleneagles Hong Kong Hospital

- Business ramp up continues

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Q&A Session



Connecting Lives ▶▶▶ Building Futures