



Stock Code: 54

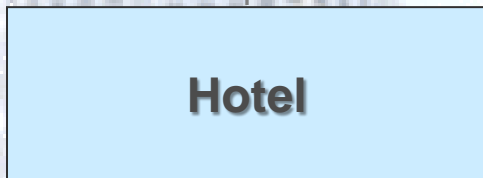
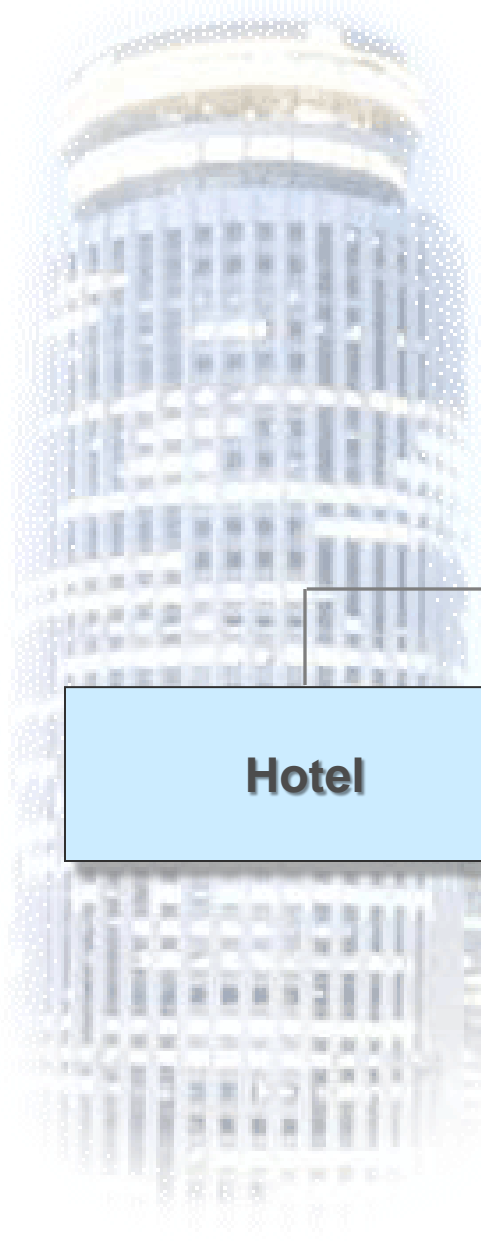
HOPEWELL HOLDINGS LIMITED



May 2018

Presentation slides are available on www.hopewellholdings.com

Group Structure



HHL Overview

- **Listed on Stock Exchange of Hong Kong in August 1972**
- **Market Capitalization: around HK\$24.3 billion (US\$3.1 billion) as of 30 April 2018**



**Disposal of ~66.69%
Issued Shares of HHI**

Disposal of ~66.69% Issued Shares of HHI^{N1} (completed 4 Apr 2018)



Key Highlights

- **Disposed ~66.69% issued shares of HHI to Shenzhen Investment International Capital Holdings Infrastructure Co Ltd. Received net cash proceeds of ~HK\$9b and expect to recognise net gain ~HK\$4.9b**
- **HHL may re-deploy a substantial part of the proceeds from the disposal to (a) fund the development of Wan Chai Projects; (b) further strengthen working capital; (c) explore new investment opportunities in both HK and the Mainland, in particular Guangdong-HK-Macao Bay Area**
- **Special cash interim dividend HK\$2.0 per share paid on 2 May 2018^{N2}**

N1: For details, please refer to the Joint Announcement and Circular dated 29 December 2017, 22 January 2018 and 4 April 2018 respectively

N2: For details, please refer to the Announcement dated 4 April 2018

Disposal of HHI (completed 4 Apr 2018)^{N1}

- HHL disposed ~66.69% issued shares of HHI to Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd
- For each HHI share: HK\$4.8 in cash
- Net cash proceeds: approx. HK\$9b
- Expect to recognise net gain: approx. HK\$4.9b
- Special cash interim dividend HK\$2.0 per share
 - ◆ Paid on 2 May 2018^{N2}

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>

Joint Announcement dated 4 April 2018: <http://www.hkexnews.hk/listedco/listconews/sehk/2018/0404/LTN201804041119.pdf>

N2: For details, please refer to the Announcement dated 4 April 2018

Reasons for Proposed Disposal of HHI^{N1}



- **Significant contributor to Shenzhen Investment Holdings' continuous expansion of the connections in the Guangdong-HK-Macao Bay Area**
- **Good opportunity for HHL to realise its investment in two highway projects**
- **HHL may re-deploy proceeds to:**
 - ◆ **Fund Hopewell Centre II, Hill Side Terrace Cluster and 153-167 QRE developments**
 - ◆ **Further strengthen general working capital and cash flow position**
 - ◆ **Explore new investment opportunities in both HK and the Mainland, in particular the Guangdong-Hong Kong-Macao Bay Area**

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>

Disposal of HHI (completed 4 Apr 2018)^{N1}

- Use of Net Sale Proceeds

Use of Net Sale Proceeds (present plan)	HK\$m
Special cash interim dividend	~1,740
Fund part of the funding for Hopewell Centre II, Hill Side Terrace Cluster and 153-167 QRE developments	5,000
<ul style="list-style-type: none"> • Fund New Investment Opportunities^{N2} • Strengthen general working capital and cash flow position <i>(meantime pending the identification of New Investment Opportunities)</i> 	The Balance

N1: For details, please refer to the

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

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Joint Announcement dated 4 April 2018: <http://www.hkexnews.hk/listedco/listconews/sehk/2018/0404/LTN201804041119.pdf>

N2: Together with other funding resources available to HHL

FY2017/18 Interim Results

◆ Financial & Operational Highlights



Key Messages



1H FY2018

- EBIT up 12% yoy to HK\$1,136m due to (i) continued growth from investment properties and hospitality; (ii) toll road growth mainly due to an exchange gain recorded
- Core profit up 13% yoy to HK\$759m (HK\$0.87/share)
- **Interim dividend HK 55 cents per share**
- Investment properties EBIT up 3% yoy to HK\$394m
- Panda Hotel's total revenue rose 11% yoy due to increase in room and F&B revenues
- Hopewell New Town booked RMB251m sales, down 47% yoy given higher base in 1HFY17 due to handover progress
- Johnston Tunnel, which connects Lee Tung Avenue with MTR station, opened in Dec 2017. It enhances connectivity of HHL's property portfolio in Wan Chai

Key Messages

Upcoming: 2H FY2018 & Beyond

- **E-Max under evolution, expansion of upmarket fashion outlet: B1/F under renovation. New tenants planned to start operation by summer 2018**
 - Target E-Max's rental income to grow 50% in FY20 vs FY16
- **Hopewell Centre II's construction advancing at full steam, targets to open in 2021**
- **153-167 QRE envisions to commence operation in 2022. It will increase the interface for HHL's property portfolio on Queen's Road East**
- **Expect Hopewell New Town difficult to achieve original FY18 sales booking target of RMB500m**
 - Given current tightening policies in PRC property market
- **Target to distribute 90%-100% of core profit[^] on a full year basis as dividends**
 - In the years before Hopewell Centre II opens[#]

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

[#] Conditional upon Completion of Proposed Disposal of HHI having taken place and barring unforeseen circumstances

Results Highlights



For the six months ended 31-Dec	2016 HK\$'m	2017 HK\$'m	% change	Major reasons for change
EBIT	1,010	1,136	+12%	<p>(i) Continued growth of investment properties and hospitality; (ii) Toll road growth (mainly due to exchange gain HK\$56m vs exchange loss HK\$55m in 1HFY17 shared from GS' USD loan)</p> <p><u>offset</u> ↓ Profit from Hopewell New Town and Heyuan power plant</p>
Core Profit[^]	669	759	+13%	
Profit attributable to owners of the Company	861	2,110	+145%	<p>(i) Reasons for ↑ EBIT above (ii) ↑ Fair value gain of completed investment properties</p>

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

Results



(HK\$ in million)	Revenue			EBIT ^{N1}		
	2016	2017	yoy	2016	2017	yoy
For the six months ended 31-Dec						
Investment properties and hospitality						
Property letting and management	567	582		383	394	
Hotel, restaurant & catering operation	215	250		44	68	
sub-total	782	832	+6%	427	462	+8%
Property development	880	643	-27%	274	250	-9%
Toll road investment	1,253	1,323	+6%	305	434	+42%
Power plant	434	482	+11%	34	6	-82%
Treasury income	38	42	+10%	38	42	+10%
Others	-	-		(68)	(58)	n/a
Revenue / EBIT	3,387	3,322	-2%	1,010	1,136	+12%
				Results		
				2016	2017	yoy
Earnings before interest & tax				1,010	1,136	
Finance costs				(5)	(9)	
Fair value gain of completed investment properties				192	1,351	
Profit before tax				1,197	2,478	
Taxation				(217)	(216)	
Profit for the period				980	2,262	
Minority interests				(119)	(152)	
Profit attributable to owners of the Company				861	2,110	+145%
Core Profit ^{N2}				669	759	+13%

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

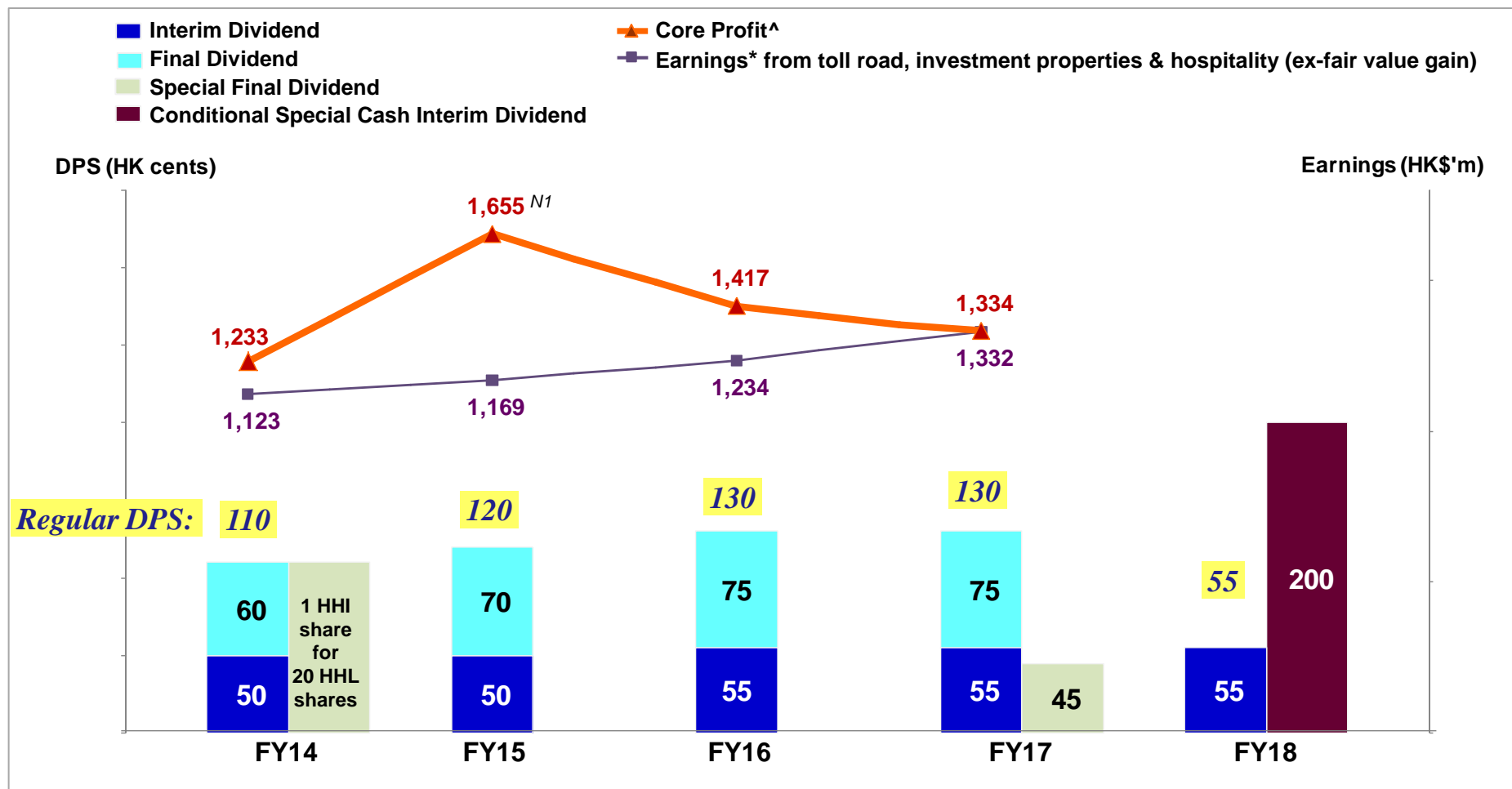
For the six months ended 31-Dec		2016	2017	% change
EPS (HK\$)		0.99	2.43	+145%
DPS (HK\$)	Interim:	0.55	Interim: 0.55	
	Special Interim:	-	Conditional Special Cash Interim [#] : 2.00	

Conditional upon Completion of Proposed Disposal of HHI having taken place

HHL's Dividend and Earnings History



- Target to distribute 90%-100% of core profit[^] on a full year basis as dividends
 - ◆ In the years before Hopewell Centre II opens[#]



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

[#] Conditional upon Completion of Proposed Disposal of HHI having taken place and barring unforeseen circumstances

* EBIT net of proportional share by non-controlling interests

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

HHL's Solid Financial Position

(before Disposal of HHI – completed 4 Apr 2018)^{N1}



- Adequate funding for projects under development
- Net cash HK\$1,781m as at 31 Dec 2017

<u>HHL Corporate Level</u>	<u>30-Jun-17</u> HK\$'M	<u>31-Dec-17</u> HK\$'M	<u>Change</u> HK\$'M
Cash	4,036	4,331	+295
Available Banking Facilities	4,790	4,490	-300
Cash + Available Banking Facilities	8,826	8,821	-5
Net Debt	Net Cash	Net Cash	
Net Gearing Ratio# (%)	\$1,686m	\$1,781m	

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

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>

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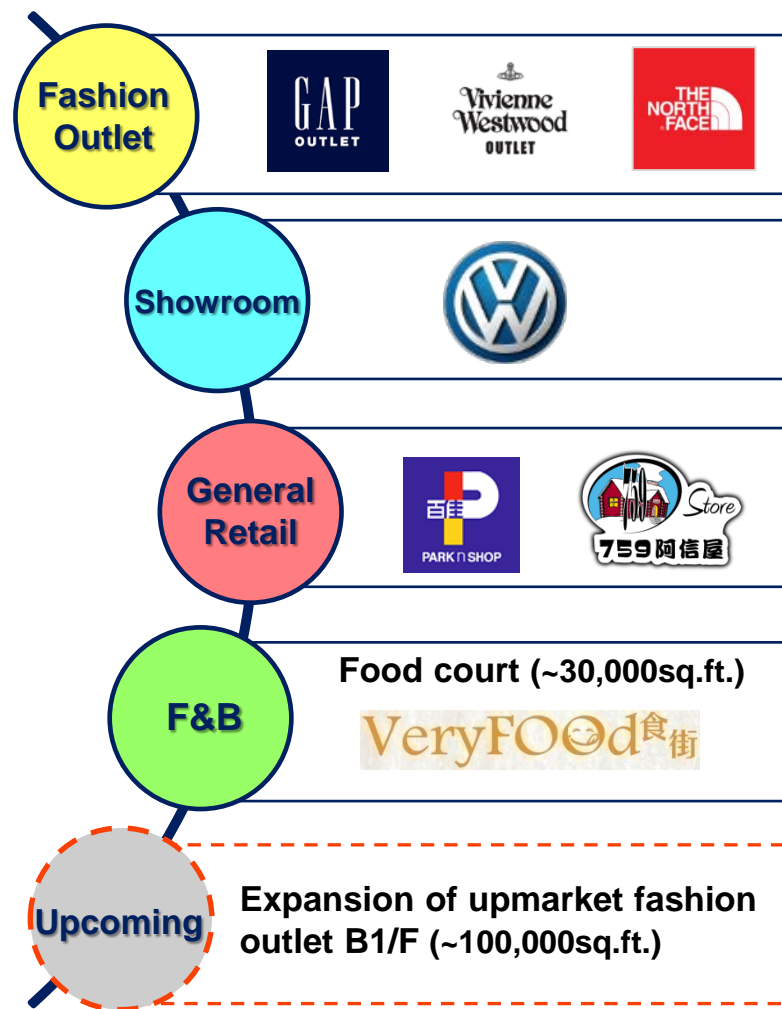
E-Max's Evolution Showing Success



– Since The Metroplex opened Feb 2014

- B1/F fashion outlet's expansion: new tenants plan to start operation by summer 2018
- 4QCY17: signed new lease with a media company for total area ~70,000 sq.ft. (office: 33,400 sq.ft.; E-Max: 36,100 sq.ft. to set up a film and TV production studio on G/F)
 - ◆ ↑ ~50% rental income vs previous tenants
- **E-Max's rental income targets to grow 50% in FY20 vs FY16**

Introduced more popular brands and elements:



Metroplex



E-Max fashion outlet

Property Portfolio in Wan Chai



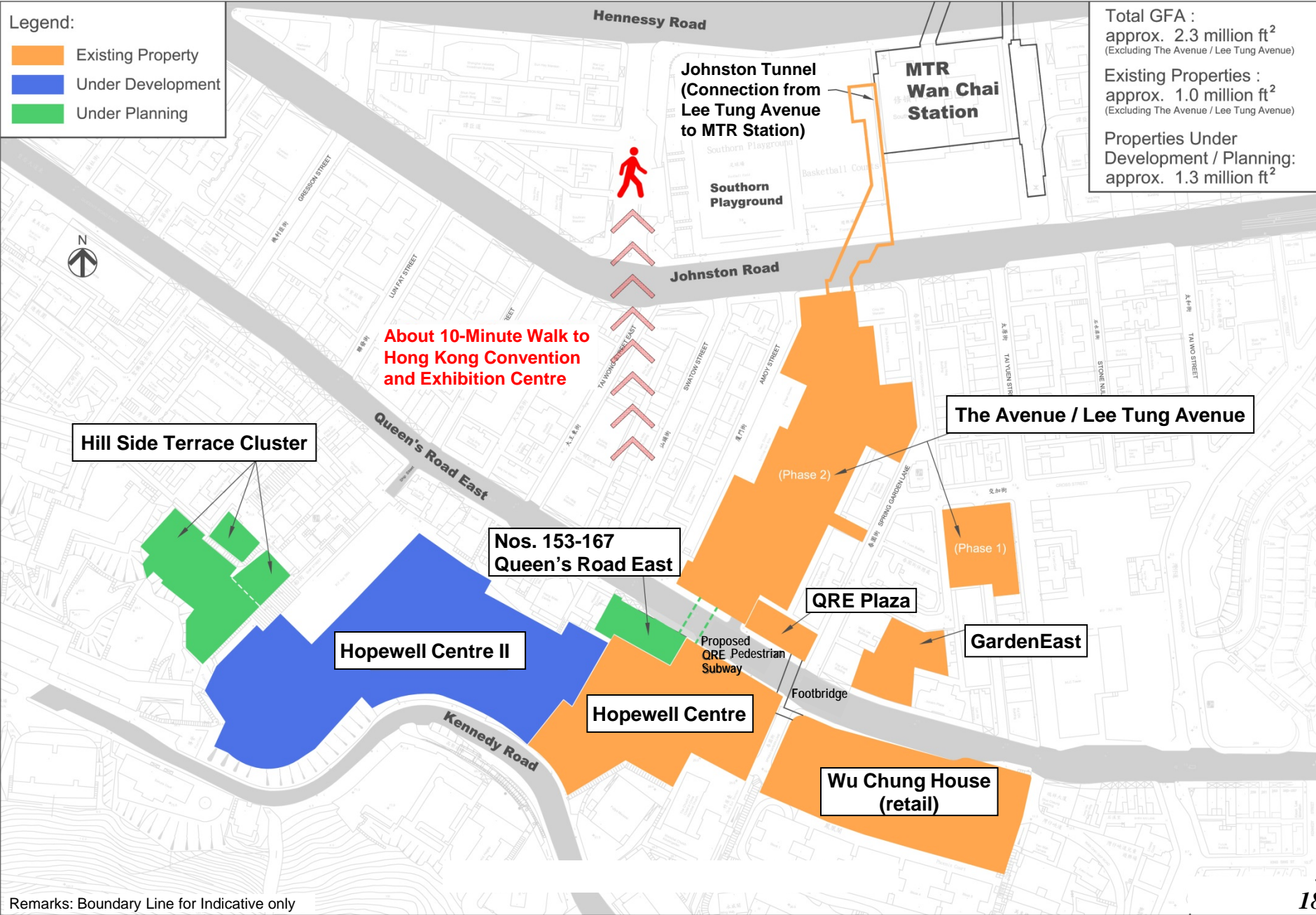
Legend:

- 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



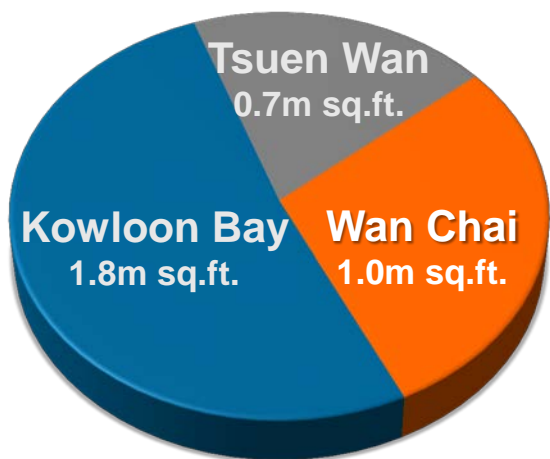
Remarks: Boundary Line for Indicative only

Investment Properties* under Development - Future Growth Driver



Existing

Total GFA: 3.5 million sq.ft.



Future

Total GFA: 4.8 million sq.ft.

+37%



- Substantial increase in rental income
- Prime locations, synergy with existing portfolio

	Use	Target opening	GFA [^] (sq.ft.)
Hopewell Centre II	Conference Hotel	2021	1,100,000
153-167 QRE	Commercial	2022	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

- Site formation work in progress
- Aug 2017: Town Planning Board approved 2017 Scheme
 - ◆ Enhances pedestrian connectivity in Wan Chai South
- Targets to open in 2021



Hopewell Centre II's perspective^{N1}

Total GFA ^{N1}	101,600 sq.m.
- Hotel	76,800 sq.m.
- Retail	24,800 sq.m.

Capex Plan^{N1} (HK\$m)

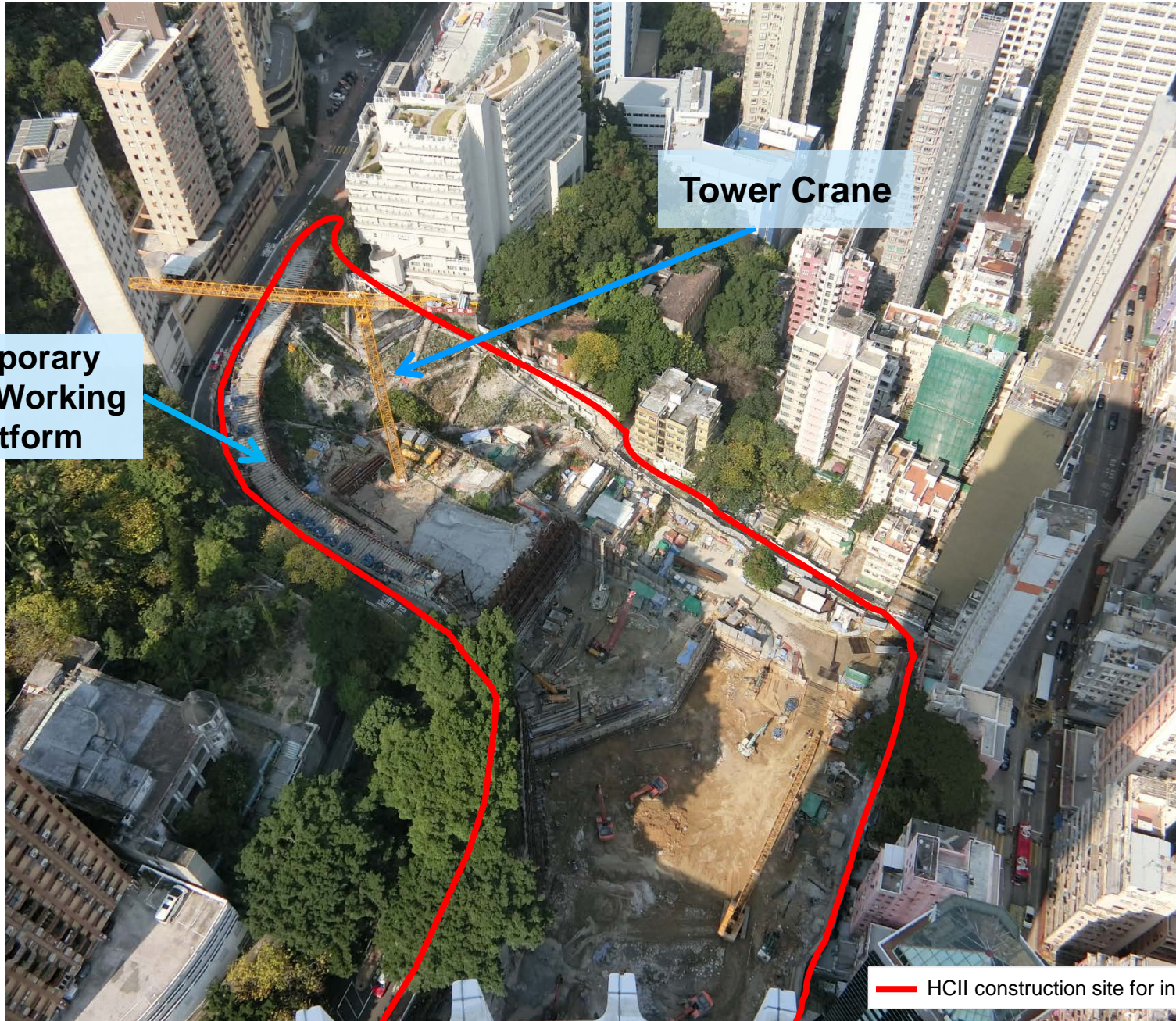
Up to 30 Jun 2017	FY18	FY19	FY20 & Beyond
~\$4,820 ^{N2}	\$400	\$570	\$3,430

Planned Total Investment: ~HK\$9b – HK\$10b

N1: Present planning, subject to change

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

Hopewell Centre II, Wan Chai - Construction Progress



Tower Crane

Temporary Steel Working Platform

— Hcii construction site for indication only

153-167 Queen's Road East, Wan Chai



- Expanded project 155-167 QRE into 153-167 QRE
 - ◆ Through a public auction under the Compulsory Sale for Redevelopment in Jan 2018
- Increase the interface for HHL's property portfolio on Queen's Road East
- Plan to develop a commercial property
- Estimated remaining capex to be spent: ~HK\$500m*
- Demolition plans to start in mid-2018 and the project envisions to commence operation in 2022

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

- Propose to restore and preserve Nam Koo Terrace and develop a residential building with open space provision
- Pending resubmission of preservation cum development plan to Town Planning Board
- Book cost as at 31 Dec 2017: ~HK\$600m

Land Lots owned by HHL	Site Area (sq.m.)
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}



CY	2018	2019	2020	2021	2022	>	>	>	>	>
Hong Kong										
Hopewell Centre II (HHL 100%)	Construction works			Opening: 2021						
153-167 Queen's Road East (HHL 100%)^{N2}	Demolition and Construction works				Opening: 2022					
Hill Side Terrace Cluster^{N3} (HHL 100%)	Pending resubmission of preservation cum development plan to Town Planning Board									

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

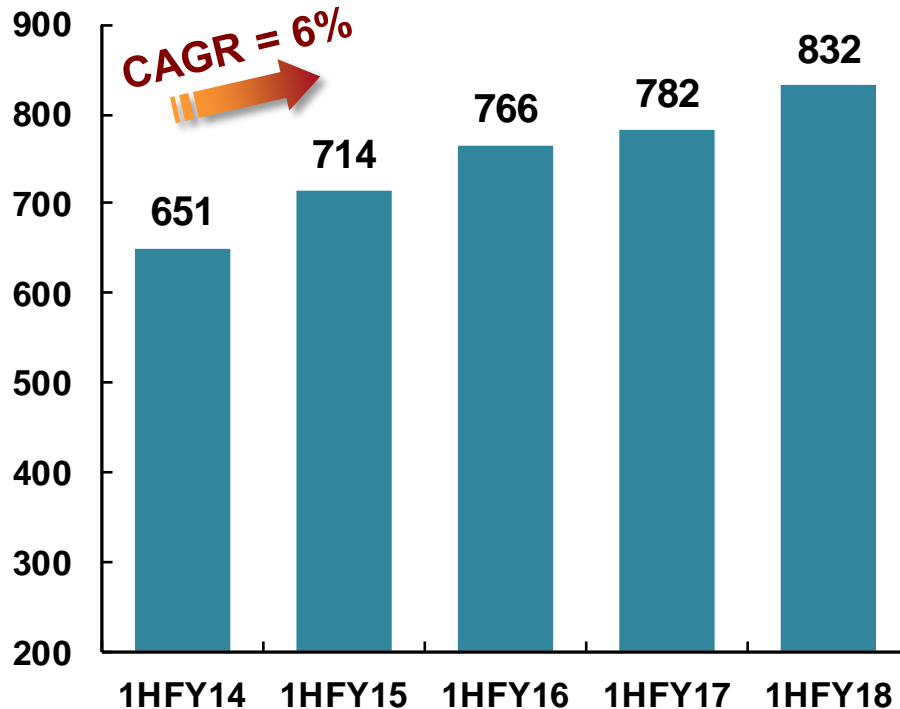
- Healthy Growth in past 5 years



- Revenue ↑6% yoy to HK\$832m in 1HFY18
- EBIT ↑8% yoy to HK\$462m in 1HFY18

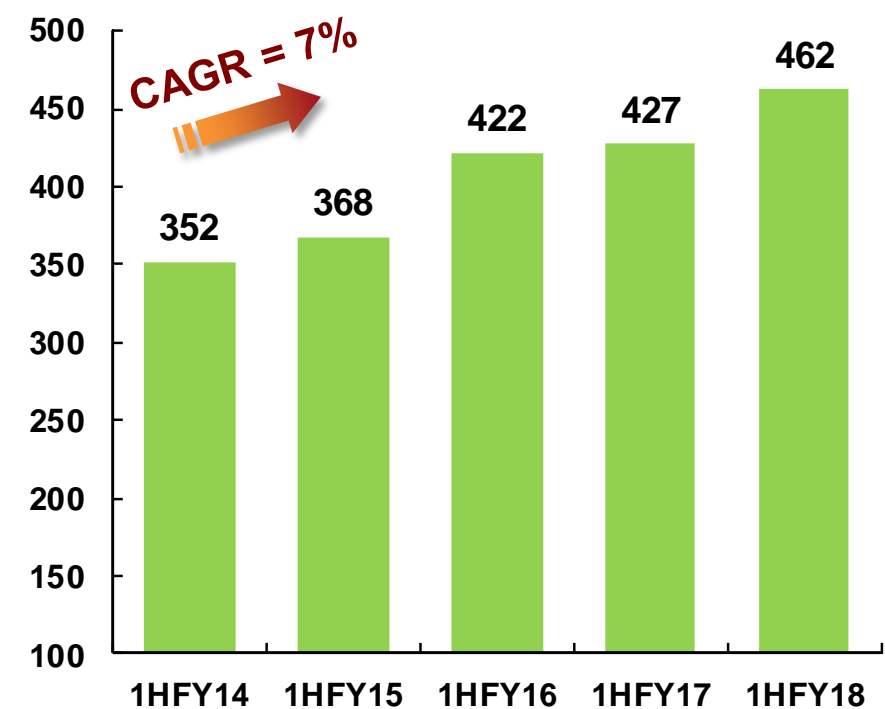
Revenue – Investment Properties & Hospitality

(HK\$ in million)



EBIT – Investment Properties & Hospitality

(HK\$ in million)



Investment Properties' Performances



- Investment properties EBIT up 3% yoy to HK\$394m
 - ◆ Office rental income ↑7% yoy offset retail rental income ↓2% yoy given E-Max B1/F under renovation
- EBIT margin maintained at 67% in 1HFY18 (1HFY17: 67%)
- Expect stable FY18 rental income
 - ◆ Stable office growth to offset drop in retail given E-Max's B1/F under renovation

	Average Occupancy Rate ^{N1}		Average Rental Rate yoy change
	1HFY17	1HFY18	
Hopewell Centre	87%	92%	+3%
KITEC Office	95%	90%	-2%
KITEC E-Max	83%	73% ^{N2}	+5%
Panda Place	98%	96%	+3%
QRE Plaza	99%	98% ^{N3}	+4%
Lee Tung Avenue	96%	93%	-4%
GardenEast (apartments)	94%	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: Tenants in B1/F vacated by 1QCY17 for renovation of E-Max's fashion outlet expansion

N3: Occupancy rate was 100% as at 31 Dec 2017

Hopewell Centre, Wan Chai



Office

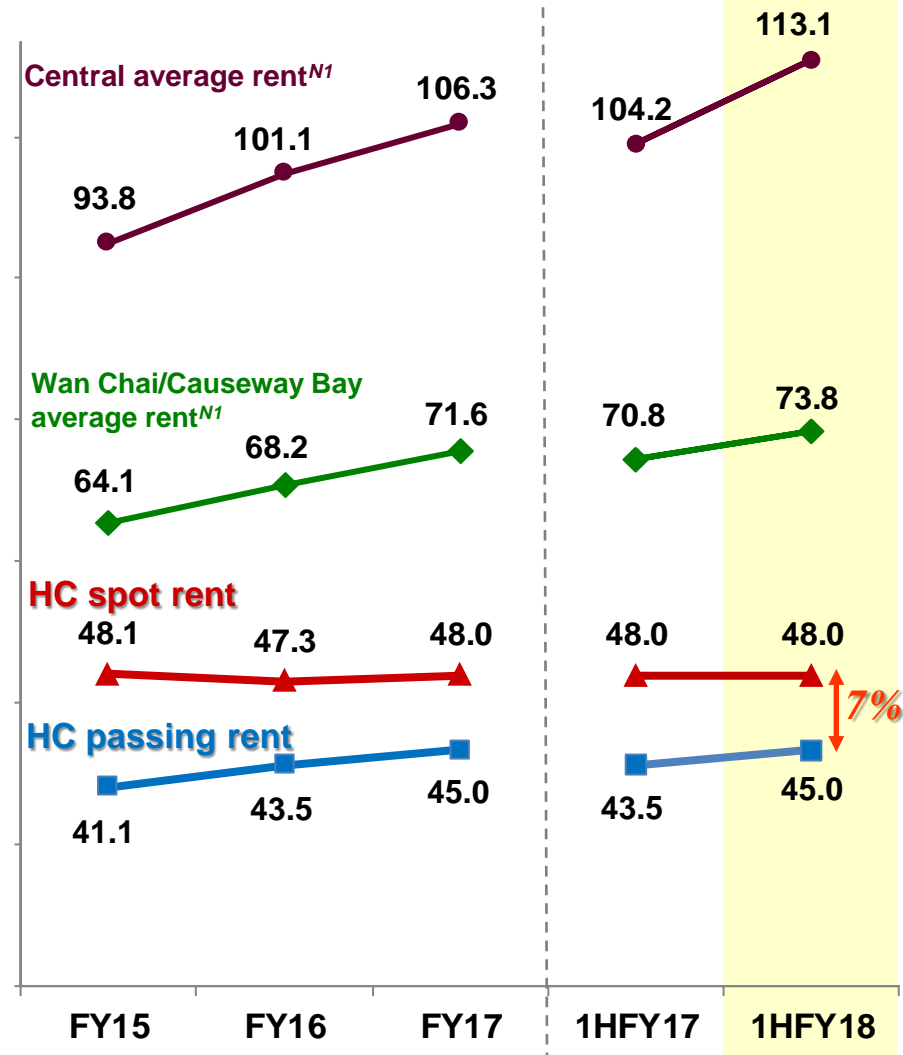
- Rental income ↑15% yoy to HK\$145m in 1HFY18 as new tenants moved in
- Expect rental uplift by phases when:
 - Hopewell Centre II's site formation and foundation works complete in early 2019*
 - Hopewell Centre II opens, with surroundings further upgraded

Retail

- As at 31 Dec 2017, occupancy rate was 99%

Hopewell Centre office spot rent vs peers

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



* Under current planning

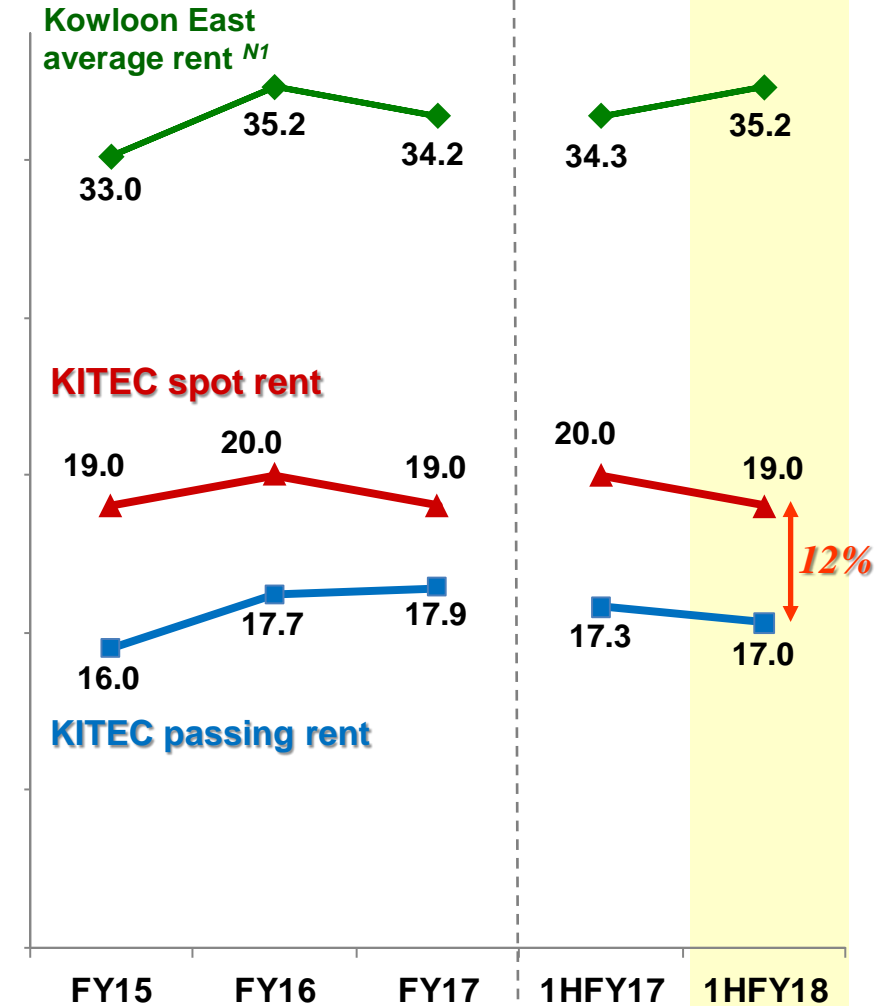
N1: Figures from Rating & Valuation Dept

Office

- Rental income ↓4% to HK\$65m in 1HFY18 due to tenant reshuffling and increased office supply in Kowloon East
- Some AEI (gym, baby care room) were completed. Plan more AEI (corridors, toilets) to upgrade facilities
- Government: anchor tenant ~250,000 sq.ft. or 33% KITEC's office GFA (31 Dec 2017)
- Benefits from Kowloon East's development into CBD2 in the long term

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 HHL:Sino Land) of 40:60

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

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

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

- 1HFY18:

Average occupancy rate: ~93%

Average rent: ~HK\$63/sq.ft.

Retail GFA: 87,700 sq.ft.



Panda Hotel, Tsuen Wan

	1HFY18	yoy change	Reasons
Total Revenue	HK\$177m	+11%	<ul style="list-style-type: none"> • Room revenue ↑6% • F&B revenue ↑20%
Room Revenue	HK\$112m	+6%	<ul style="list-style-type: none"> • Average room rate ↑5% yoy • Occupancy rate remained high at 98%
F&B Revenue	HK\$65m	+20%	↑ Banquets

- Signs of improvement in HK's hotel industry despite outlook remains challenging
- To maintain competitiveness:
 - ◆ Continue to diversify customer mix
 - ◆ Refurbishment of guestrooms

Broadwood Twelve, Happy Valley - Residential



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



Broadwood Twelve



Broadwood Twelve's location

Updates

- As at 31 Dec 2017,
 - ◆ Sold all 76 units, sales proceeds ~HK\$3.5b^{N1}
 - 1HFY18: sold 7 units at ASP of HK\$36,400/sq.ft.
 - 5 units (HK\$227m net sales revenue) were booked in 1HFY18
 - Average selling price of all units sold:
 - ~HK\$34,400/sq.ft. (saleable area)

^{N1}: Includes carpark

Hopewell New Town, Huadu, Guangzhou – Residential & Commercial

- 1HFY18 revenue ↓47% yoy to RMB251m given higher base in 1HFY17 due to handover progress

	FY16	FY17	
Sales Target	85,000 sq.m. (achieved)		
	FY16	FY17	FY18
Sales Booking	RMB256m	RMB715m (exceeded target)	Expect difficult to achieve original FY18 target of RMB500m ^{N1}

N1: Given current tightening policies in the PRC property market

- MTR Route No. 9 started operation in Dec 2017, an MTR exit near the site is under construction
- Continues to explore ways to control construction cost and increase profitability
- Business tax changed to value-added tax effective 1 May 2016: <10% negative impact on FY18 net profit (latest estimation)

HHL's Sound Financial Plan

Projects	Target Opening	Total Investment ^{N1} HK\$'M	Interest %	HHL's Injection FY18 to FY20 ^{N1} HK\$'M
<u>Hong Kong</u>				
Hopewell Centre II	2021	9,000 - 10,000	100%	3,680 (FY18: 400; FY19: 570; FY20: 2,710)
153-167 Queen's Road East	2022	approx. 1,200	100% ^{N2}	80
TOTAL				3,760

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:**
 - ◆ **Healthy cash-flow from investment properties and hospitality businesses**
 - ◆ **Net cash HK\$1,781m as at 31 Dec 2017**
 - ◆ **HK\$2.3b, HK\$3.2b and HK\$1.0b committed banking facilities maturing in 2018, 2020 and 2022 respectively**

Hidden Value from Hotels Business



HHL's Balance Sheet Highlights as at 31 Dec 2017

HK\$m

Completed investment properties	31,762
Panda Hotel	314
Properties under development	
Hopewell Centre II	
- Commercial portion	4,692
- Hotel portion	2,595
155-167 Queen's Road East **	783
Properties for development	1,157
Interests in JVs (Toll Roads, Power Plant and The Avenue/Lee Tung Avenue)	7,898
Other assets/liabilities	1,727
Non-controlling interests	(2,345)
Shareholders' equity (as at 31 Dec 2017)	48,583 <i>(HK\$55.9/share)*</i>
Total hidden value (hotels business)	4,566 <i>(HK\$5.2/share)*</i>
Estimated net gain from Proposed Disposal of HHI upon completion	4,921 [#] <i>(HK\$5.7/share)*</i>
Adjusted shareholders' equity (unaudited)	58,070 <i>(HK\$66.8/share)*</i>

As at 31 Dec 2017 (HK\$)	Panda Hotel	HC II hotel portion
Market value	\$3,040m \$3.3m/room <i>valuation report</i>	\$4,435m \$4.3m/room under development <i>valuation report</i>
Book value	\$314m \$0.3m/room <i>at cost less depreciation</i>	\$2,595m \$2.5m/room under development <i>at cost</i>
Hidden value	\$2,726m <i>\$3.1/share*</i>	\$1,840m <i>\$2.1/share*</i>

Total: \$4,566m
\$5.2/share*

- The net gain is calculated based on the consideration of HK\$9,865 million less (i) the carrying value of HHL's approximately 66.69% equity interest in HHI as at 30 June 2017; and (ii) the estimated related costs and expenses (including any tax payable) of the Proposed Disposal

- The financial impact set out above is for illustrative purpose only. The actual amount of the gain on the Proposed Disposal to be recognised by HHL will depend on the carrying value of HHL's approximately 66.69% equity interest in HHI as at Completion and the actual amount of related costs and expenses (including any tax payable) in relation to the Proposed Disposal, and therefore may be different from the amount mentioned above

* No. of HHL shares in issue: 869.8 million (as of 31 Dec 2017)

** HHL has expanded the project into 153-167 Queen's Road East



FY2017/18 Interim Results

◆ Supplementary Information

Reconciliation of Revenue and Results with Consolidated Statement of Comprehensive Income

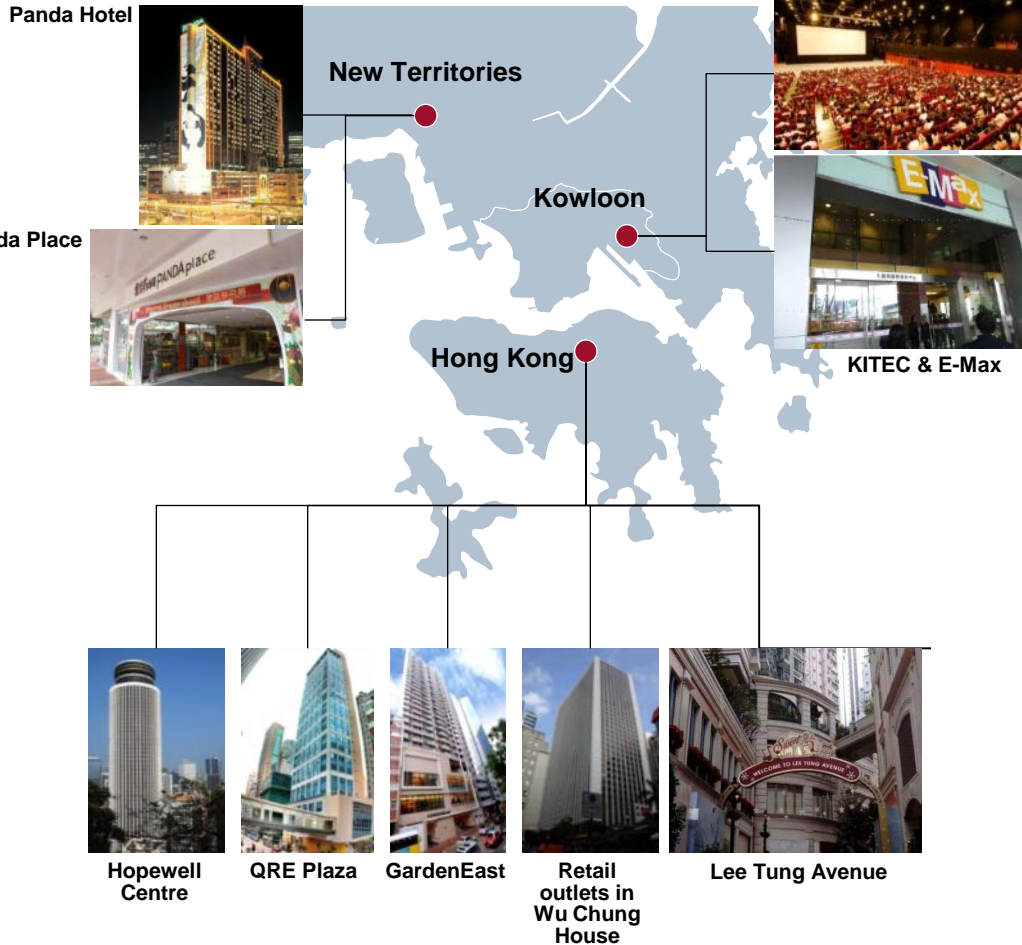
(HK\$ in million)	Revenue		Results	
For the six months ended 31-Dec	2016	2017	2016	2017
Revenue/EBIT per "Results" slide	3,387	3,322	1,010	1,136
<u>Less:</u>				
Sales proceeds of Broadwood Twelve properties	(85)	(227)	-	-
Treasury income	(38)	(42)	-	-
Share of revenues of JVs engaged in				
- Toll road	(1,253)	(1,323)	-	-
- Power plant	(434)	(482)	-	-
- Property development and property investment	(295)	(149)	-	-
<u>Add:</u>				
Fair value gain of completed investment properties	-	-	192	1,351
Finance costs	-	-	(5)	(9)
Turnover/Profit before taxation per Consolidated Statement of Comprehensive Income	1,282	1,099	1,197	2,478

Investment Properties and Hospitality Revenue

(HK\$ in million) For the six months ended 31-Dec	Revenue*		yoy change
	2016	2017	
Investment Properties			
Rental income - office	195	209	+7%
Rental income - retail	167	163	-2%
Rental income - residential	40	38	-5%
Convention and exhibition	39	40	+3%
Air conditioning and management fee	79	82	+4%
Carpark and others	47	50	+6%
Investment Properties sub-total	567	582	+3%
Hospitality			
Room Revenue	105	112	+6%
Restaurants, catering operations and others	110	138	+25%
Hospitality sub-total	215	250	+16%
Total	782	832	+6%

* Excluding tenancies for HHL's own use

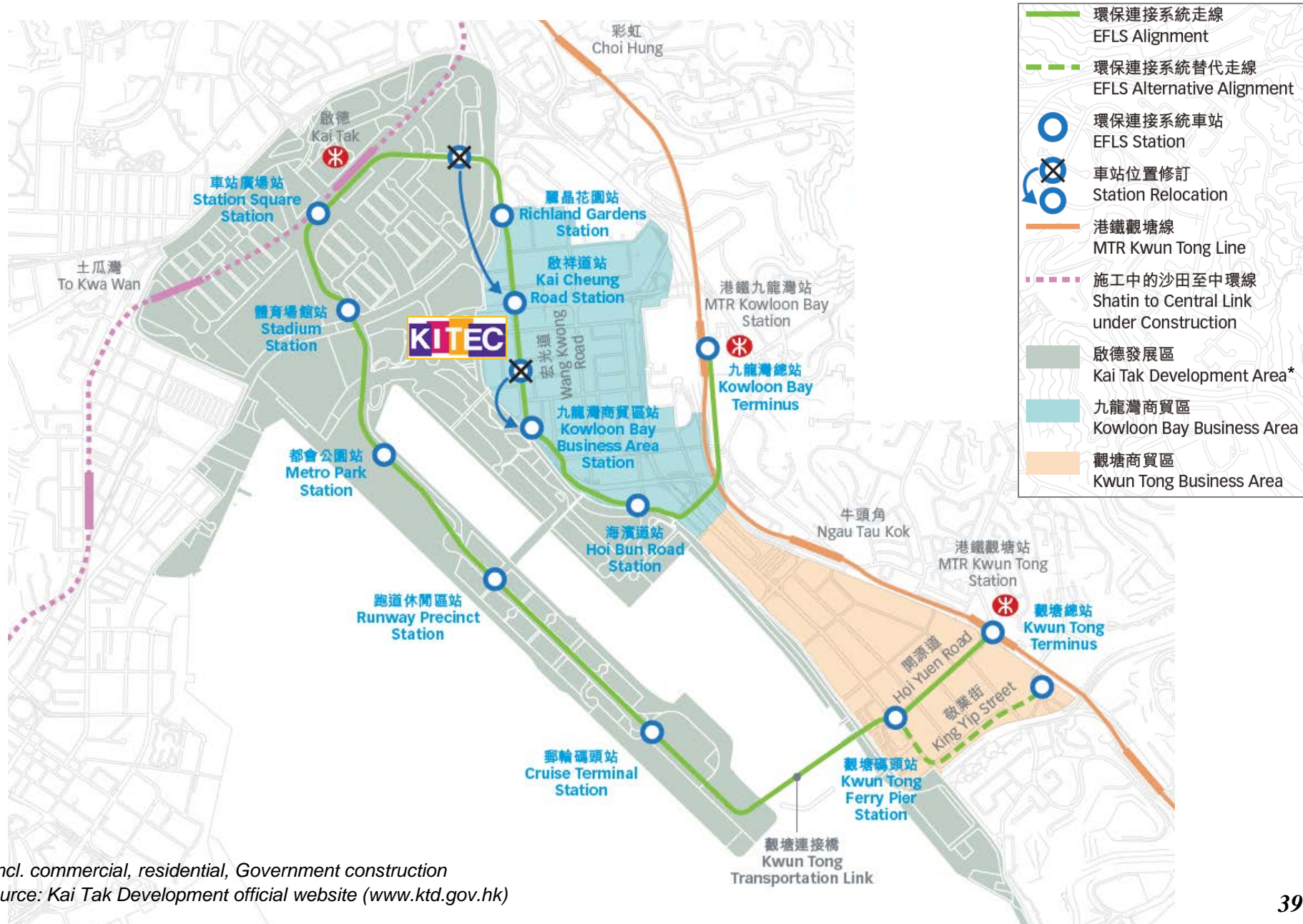
Investment Properties



	Approx. GFA (sq.ft.)
Hopewell Centre	840,000
KITEC and 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.)	26,000
Wu Chung House retail	17,670
Panda Place	229,000
Panda Hotel (911 rooms)	440,000
Total GFA	3.5M sq.ft.

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

Kowloon East Developments Benefit KITEC and E-Max



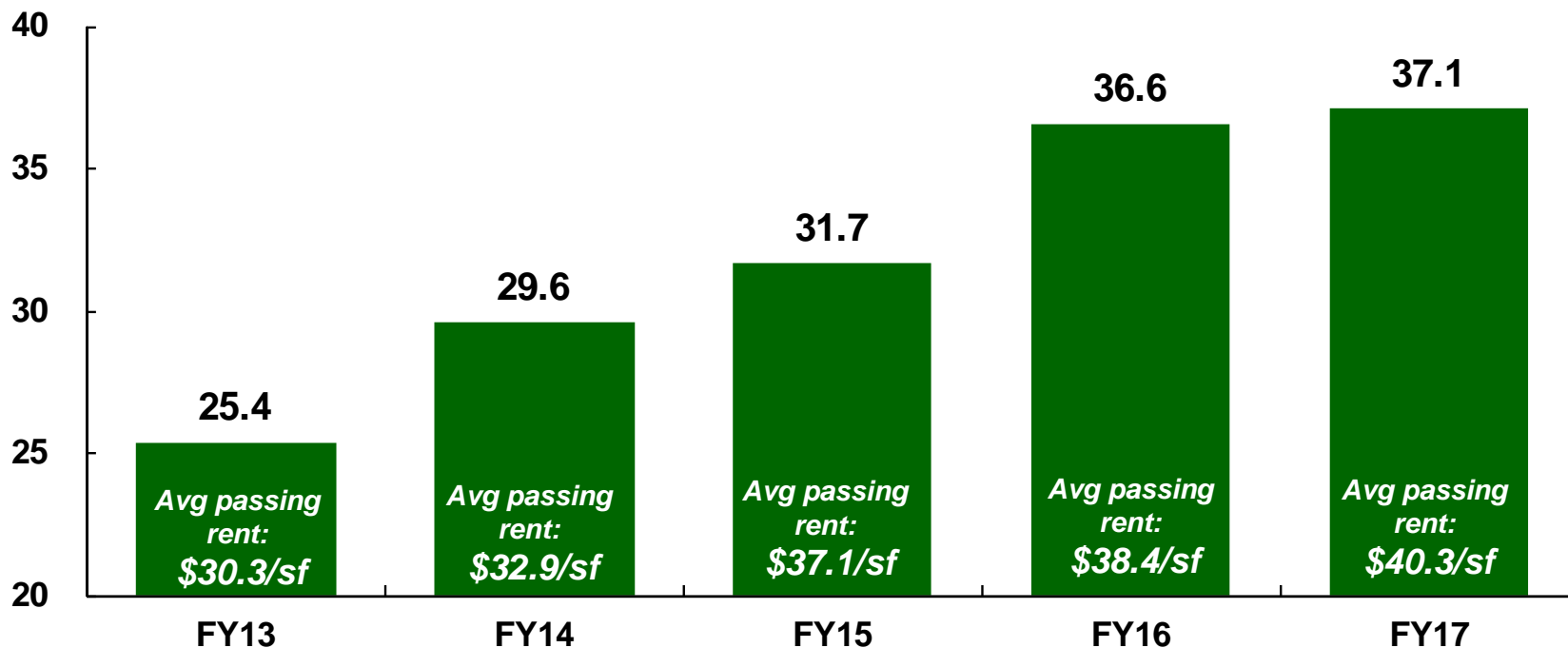
- 環保連接系統走線
EFLS Alignment
- - - 環保連接系統替代走線
EFLS Alternative Alignment
- 環保連接系統車站
EFLS Station
- ⊗ 車站位置修訂
Station Relocation
- 港鐵觀塘線
MTR Kwun Tong Line
- - - 施工中的沙田至中環線
Shatin to Central Link under Construction
- 啟德發展區
Kai Tak Development Area*
- 九龍灣商貿區
Kowloon Bay Business Area
- 觀塘商貿區
Kwun Tong Business Area

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

■ Refining tenant mix has helped lift rental income

New Tenant			
<ul style="list-style-type: none"> • F&B: <ul style="list-style-type: none"> - Han Ga Ram • Bioscreen Organic Beauty 	<ul style="list-style-type: none"> F&B: <ul style="list-style-type: none"> - Momojein - Espuma 	TESLA car showroom 	<ul style="list-style-type: none"> - Xiao Yu Hotpot

Rental Income (HK\$'m)



Panda Place, Tsuen Wan

GFA approx. 229,000 sq.ft.

- Rental income flat at HK\$31m in 1HFY18
- Expect stable rental income contribution as major tenant reshuffling had been completed



The Avenue, Wan Chai - Residential Sales

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



- 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

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.

■ 1HFY18: Booked HK\$24m revenue (HHL's share after URA sharing) for 1,800 sq.ft. or 1 unit
(1HFY17: HK\$280m for 24,000 sq.ft. or 25 units)



Hopewell New Town, Huadu, Guangzhou

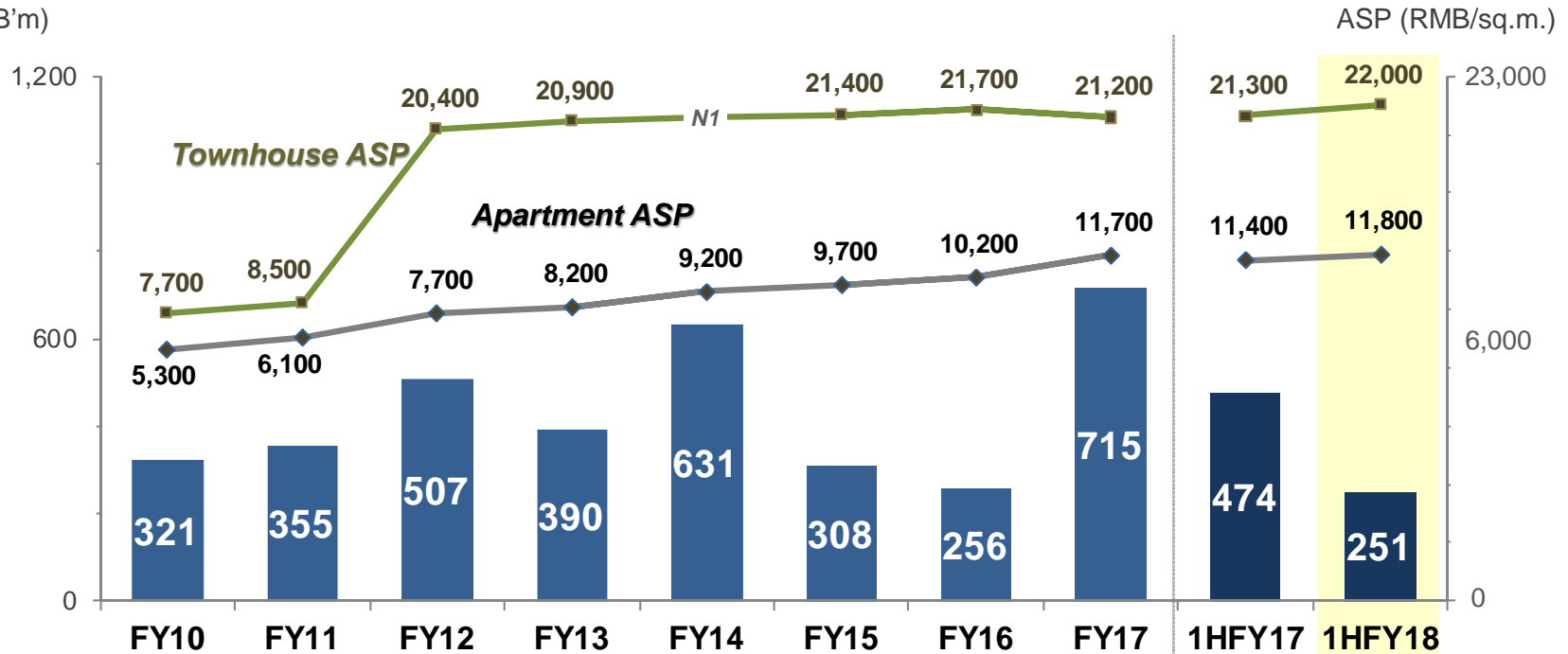
- Historical Revenue and Average Selling Price



Total Site Area:	~ 610,200 sq.m.
Total Plot Ratio GFA:	~ 1.11m sq.m.
Total GFA sold & booked (as of 31.12.2017):	~ 483,100 sq.m. (44% of total)

Revenue and Average Selling Price ("ASP") Booked

Revenue (RMB'm)



GFA booked (sq.m.)

Apartment	41,000	56,000	24,500	41,000	67,600	29,600	23,200	55,100	37,500	8,800
Townhouse	13,000	1,000	13,800	1,700	-	900	900	3,200	2,000	2,300

Units booked

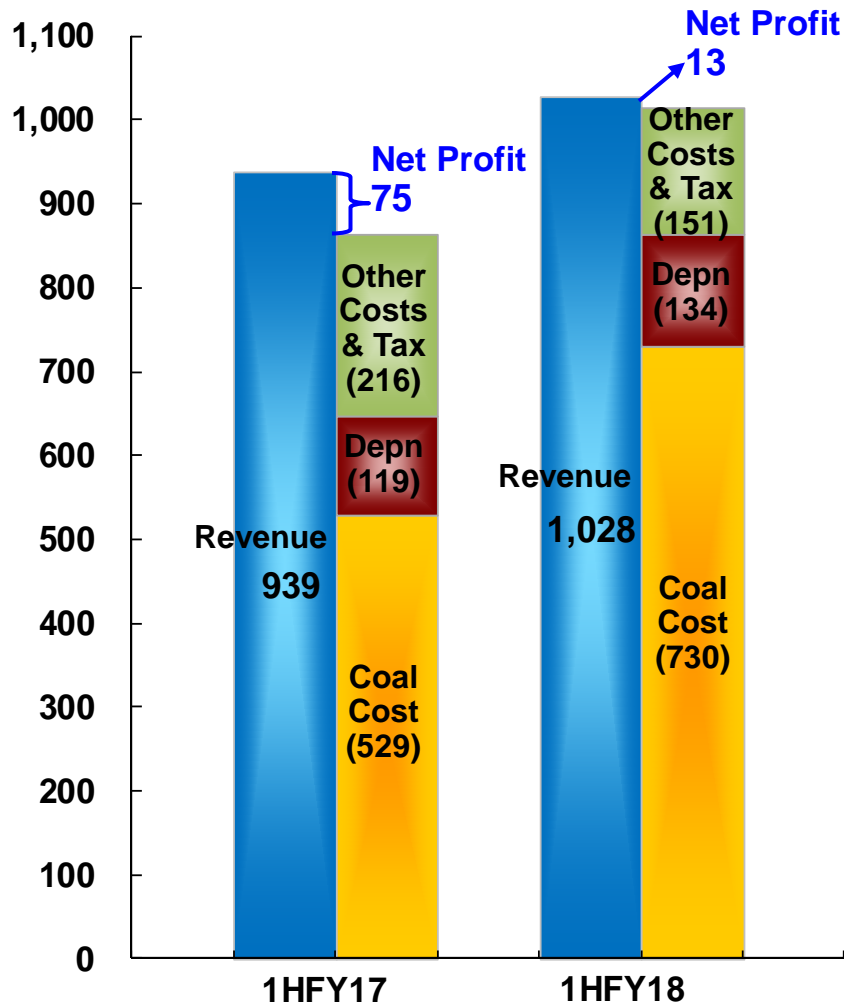
Apartment	366	574	306	333	695	252	195	486	325	72
Townhouse	43	4	48	6	-	3	3	11	7	8

N1: No sales of townhouse booked in FY14

Heyuan Power Plant, Guangdong

P&L Highlight - JV Level 100%

(RMB in million)



Updates

- Net profit fell to RMB13m due to ↓ tariff rate, ↑ cost of coal and ↑ depreciation
- Stable cash flow contribution to HHL given solid power demand in Guangdong

Heyuan Power Plant, Guangdong

Key Operating Statistics

	1HFY17	1HFY18
Gross generation	2,600GWh	3,000GWh
Utilisation rate^{N1} (hours)	50% (2,185 hours)	56% (2,478 hours)
Availability factor^{N2}	72%	82%
Average on-grid tariff (with desulphurization, denitrification, dust removal and super low emissionI) (excl. VAT)	RMB379.9/MWh^{N3}	RMB366.4/MWh
Approx. coal cost (5,500 kcal/kg) (incl. transport; excl.VAT)	RMB542/ton	RMB655/ton

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

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

N3: Unit 1 – without super low emission tariff

HHI's Results Highlights



For the six months ended 31-Dec	2016 RMB'm	2017 RMB'm	% change	Major reasons for change
Net toll revenue	1,092	1,122	+3%	<ul style="list-style-type: none"> • GS ↓ 1% to RMB782m • WDR ↑ 13% to RMB340m
EBITDA of toll expressways	915	951	+4%	
Net profit of toll expressways	325	325	+0%	<ul style="list-style-type: none"> • GS' net profit ↓ 5% to RMB261m mainly due to i) adjustment in profit-sharing ratio; ii) ↑ finance cost • WDR net profit ↑ 25% to RMB64m - WDR's retained profits turned positive by end-FY17 thus income tax provision of RMB26m (1HFY17: nil)
Corporate results	(4)	(8)	n/a	
Profit before net exchange gain/loss	321	317	-1%	
Net exchange gain/loss	(49)	47	n/a	
Profit attributable to owners of the Company	267	359	+34%	<ul style="list-style-type: none"> • Mainly due to net exchange gain

HHI's Results



For the six months ended 31-Dec (RMB'M)	Net Toll Revenue		EBITDA		Depreciation & Amortisation		Interest & Tax		Results	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
GS Superhighway ^{N1}	791	782	662	662	(228)	(236)	(160)	(165)	274	261
Western Delta Route	301	340	253	289	(107)	(118)	(95)	(107) _{N2}	51	64
Sub-total	1,092	1,122	915	951	(335)	(354)	(255)	(272)	325	325
		+3%		+4%		+6%		+7%		+0%
Corporate results:										
Bank deposits interest income									14	10
Other income									-	1
General and administrative expenses and depreciation									(18)	(19)
Finance costs									-	-
Sub-total									(4)	(8)
Profit before net exchange gain/(loss)									321	317
										-1%
Net exchange gain/(loss)									(49)	47
Profit for the period									272	364
Minority interests									(5)	(5)
Profit attributable to owners of the Company									267	359
										+34%

N1: Excl. exchange differences from USD & HKD loans and related income tax

N2: WDR's retained profits turned positive by end-FY17 thus income tax provision: RMB26m (1HFY17: nil)

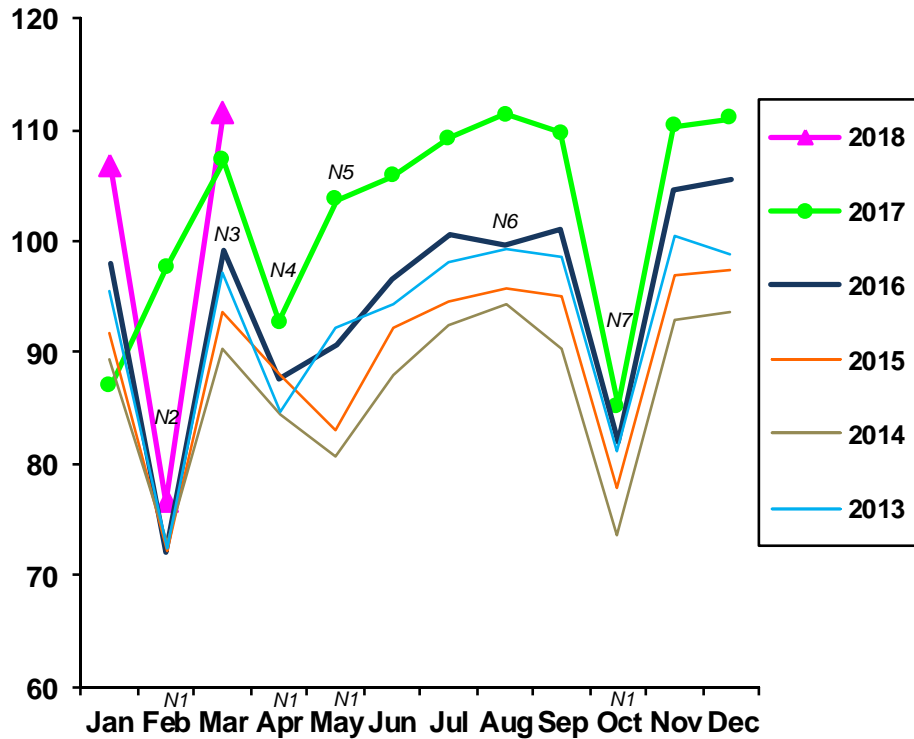
GS Superhighway



GS – Average Daily FLE Traffic#

(No. of vehicles '000)

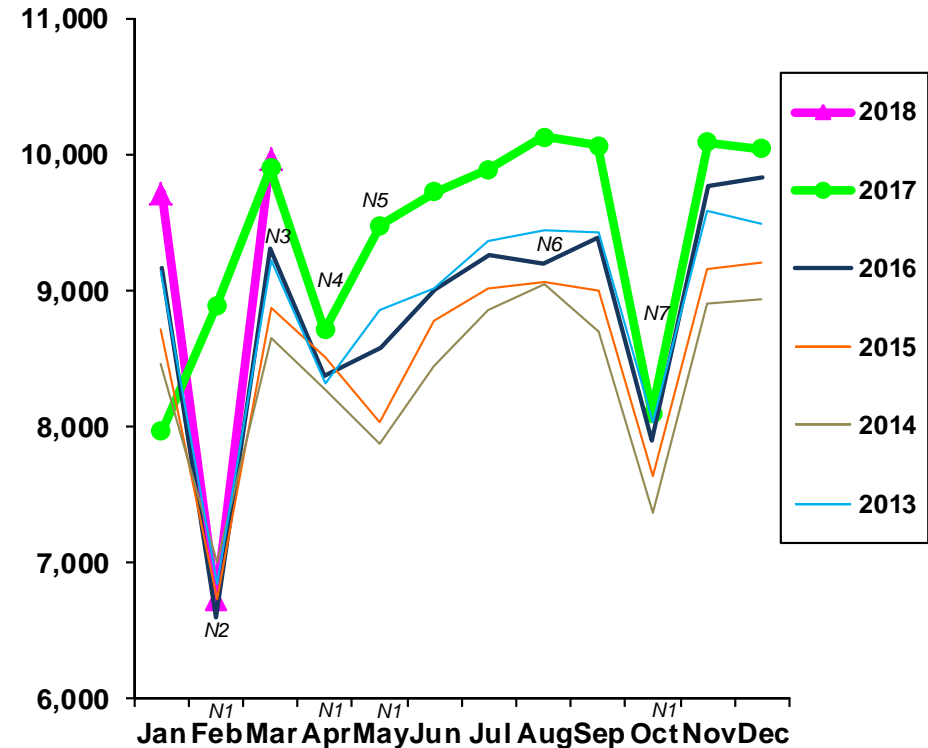
	1HFY17	1HFY18	yoy
Avg. Daily FLE Traffic	99k	106k	↑7%



GS – Average Daily Toll Revenue^

(RMB '000)

	1HFY17	1HFY18	yoy
Avg. Daily Toll (RMB)	9,225k	9,719k	↑5%



Excludes toll-free FLE traffic ^ Including tax

N1: Holiday Toll-free Policy was implemented

N2: Different first day of the Chinese New Year (2018: 16 Feb; 2017: 28 Jan)

N3: i) Impact of lower traffic (usually during the 1st two weeks of CNY) carried over into Mar-15. Since CNY came later in 2015 compared with 2016, which resulted in a lower base
ii) Closure of slow lanes on Chuancha Bridge near Machong for maintenance (Northbound 16 Mar 2016 to end-May 2016; Southbound 22 Mar 2016 to mid-May 2016)

N4: One more day of toll-free holiday in Apr 2017 compared to Apr 2016

N5: One less day of toll-free holiday in May 2017 compared to May 2016

N6: Aug 2016 growth was affected by bad weather caused by Typhoon Nida during 2-3 Aug 2016

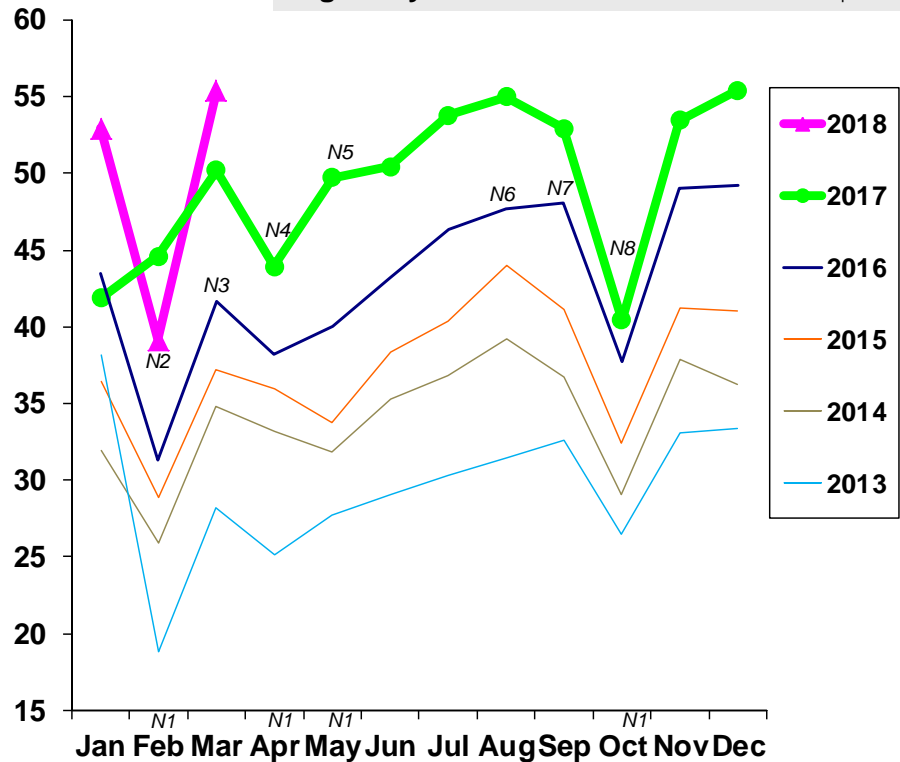
N7: One more day of toll-free holiday in Oct 2017 compared to Oct 2016, i.e. National Day holiday from 1-8 Oct in 2017 (1-7 Oct in 2016)

Western Delta Route

WDR – Average Daily FLE Traffic#

(No. of vehicles '000)

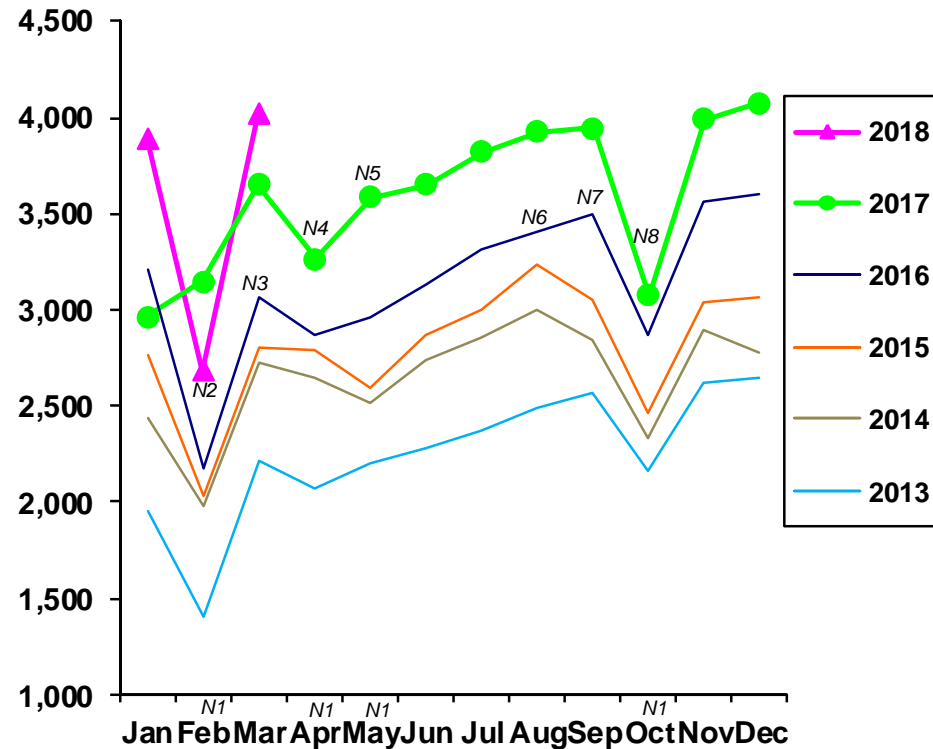
	1HFY16	1HFY18	yoy
Avg. Daily FLE Traffic	46k	52k	↑12%



WDR – Average Daily Toll Revenue^

(RMB '000)

	1HFY16	1HFY18	yoy
Avg. Daily Toll (RMB)	3,373k	3,802k	↑13%



Excludes toll-free FLE traffic ^ Including tax

N1: Holiday Toll-free Policy was implemented

N2: Different first day of the Chinese New Year (2018: 16 Feb; 2017: 28 Jan)

N3: Impact of lower traffic (usually during the 1st two weeks of CNY) carried over into Mar 2015. Since CNY came later in 2015 compared with 2016, which resulted in a lower base

N4: One more day of toll-free holiday in Apr 2017 compared to Apr 2016

N5: One less day of toll-free holiday in May 2017 compared to May 2016

N6: Aug 2016 growth was affected by bad weather caused by Typhoon Nida during 2-3 Aug 2016

N7: Small positive impact from maintenance works on a local road near the Bijiang interchange of WDR during Sep to Dec 2016

N8: One more day of toll-free holiday in Oct 2017 compared to Oct 2016, i.e. National Day holiday from 1-8 Oct in 2017 (1-7 Oct in 2016)

Appendix

- ◆ **Company Background & Projects**
- ◆ **Macro Data**

HHL's Board of Directors



Board of Directors	15	Audit Committee	Remuneration Committee
<i>Executive Directors</i>	7		
<ul style="list-style-type: none"> ■ Sir Gordon Ying Sheung WU <small>KCMG, FICE*</small> (Chairman) ■ Mr. Eddie Ping Chang HO (Vice Chairman) ■ Mr. Thomas Jefferson WU[#] (Deputy Chairman and Managing Director) ■ Mr. Josiah Chin Lai KWOK (Deputy Managing Director) ■ Mr. Albert Kam Yin YEUNG ■ Mr. William Wing Lam WONG ■ Ir. Dr. Leo Kwok Kee LEUNG 			
<i>Non-Executive Directors</i>	3		
<ul style="list-style-type: none"> ■ Lady WU Ivy Sau Ping KWOK <small>JP</small> ■ Mr. Carmelo Ka Sze LEE <small>JP</small> ■ Mr. Guy Man Guy WU 			√
<i>Independent Non-Executive Directors</i> (33% of the Board of Directors)	5		
<ul style="list-style-type: none"> ■ Ms. Linda Lai Chuen LOKE ■ Mr. Sunny TAN ■ Dr. Gordon YEN ■ Mr. Ahito NAKAMURA ■ Mr. Yuk Keung IP 		√ Chairman √ - √	√ - √ - Chairman

* Also as Alternate Director to Mr. Eddie Ping Chang HO

Also as Alternate Director to Sir Gordon Ying Sheung WU and Lady WU Ivy Sau Ping KWOK

Sir Gordon Ying Sheung WU GBS, KCMG, FICE – Chairman

- Aged 81, one of the founders and visionary leader
- Pioneer in property and infrastructure sector
- Established solid foundation and set the stage for company's continued achievements

Mr. Thomas Jefferson WU – Deputy Chairman & Managing Director

- Aged 45, the mastermind for business breakthrough
- Taking up various management roles since he joined HHL in 1999
- Active involvement in strategic planning and organisation performance review
- Director of the Year Award 2010, Asian Corporate Director Recognition Award 2011, 2012 and 2013 and named the Asia's Best CEO (Investor Relations) 2012, 2013 and 2014 with his accredited professionalism

HHL Eminent Management Team

– Senior Management for Property Business

Mr. William Wing Lam WONG – Executive Director

- Aged 60, joined the company in 2005 and appointed as Executive Director in 2007
- Registered professional surveyor with over 25 years of experience in property and land matters
- Key role in supervising property sales and leasing projects of the company

Mr. Albert Kam Yin YEUNG – Executive Director

- Aged 66, appointed as Executive Director of HHL since 2002
- Registered architect
- Key role in overseeing property development and construction projects of the company

Mr. Bruce Pei Sai LEUNG – Director, Hopewell Asset Management Ltd

- Aged 54, joined a subsidiary as Director in 2010
- Over 25 years of experience in real estate industry; prior to joining a subsidiary of the company, Mr. Leung was the Head of Asset Management of a listed REIT in Hong Kong
- A member of RICS (Royal Institution of Chartered Surveyors)
- Responsible for overseeing the investment property portfolio of the company

Corporate Sustainability – Awards & Recognitions



- HHL received the **Certificate of Excellence** of the HKIRA 3rd Investor Relations Awards by Hong Kong Investor Relations Association
- HHL was awarded **Merit Award (Enterprise Category)** while HH Social Club received **Corporate Citizenship Logo (Volunteer Category)** of the 8th Hong Kong Outstanding Corporate Citizenship Program
- HHL received World Green Organisation’s “**Green Office and Eco-Healthy Workplace**” label in recognition of our efforts towards a low carbon office
- HHL was presented **Manpower Developer 1st (2010-2018)** of the 6th ERB Manpower Developer Award Scheme by the Employees Retraining Board
- HHL was awarded the **Business for Sustainability Logo 2016/17** by the Hong Kong Council of Social Service



Guangdong-HK-Macao Bay Area*



- First addressed in the 13th Five-Year Plan (2016-2020)
- Strengthen infrastructure linkages and stimulate economic cooperation in the region



* Include HKSAR, Macao SAR, Guangzhou, Shenzhen, Zhuhai, Dongguan, Huizhou, Zhongshan, Foshan, Zhaoqing and Jiangmen

HHL's Distinguished Presence in Wan Chai



GFA calculates area owned and attributable to the group only

* Excludes GFA of properties in Kowloon Bay (1,775,000 sq.ft.), Tsuen Wan (670,000 sq.ft.) and The Avenue/Lee Tung Avenue

Source: Annual reports, websites of the companies. The map is for reference only and is not drawn to scale.

Major Investment Properties at a Glance



Hopewell Centre

- Hopewell's flagship property
- A landmark situated at the heart of Wan Chai
- GFA of approx. 840,000ft² office and retail space



KITEC & E-Max

- Situated in Kowloon East commercial area
- GFA of approx 1.77m ft² comprising:
 - KITEC 750,000ft² office;
 - E-Max 760,000ft²* retail
- Star Hall for concerts/exhibitions
- The Metroplex (multi-cinema complex)

* Exclude C&E area



Panda Hotel & Panda Place

- Conveniently connected to the HK International Airport
- Over 900 hotel rooms for business and leisure travelers
- Approx. 229,000 ft² retail space for hotel guests and local families



QRE Plaza

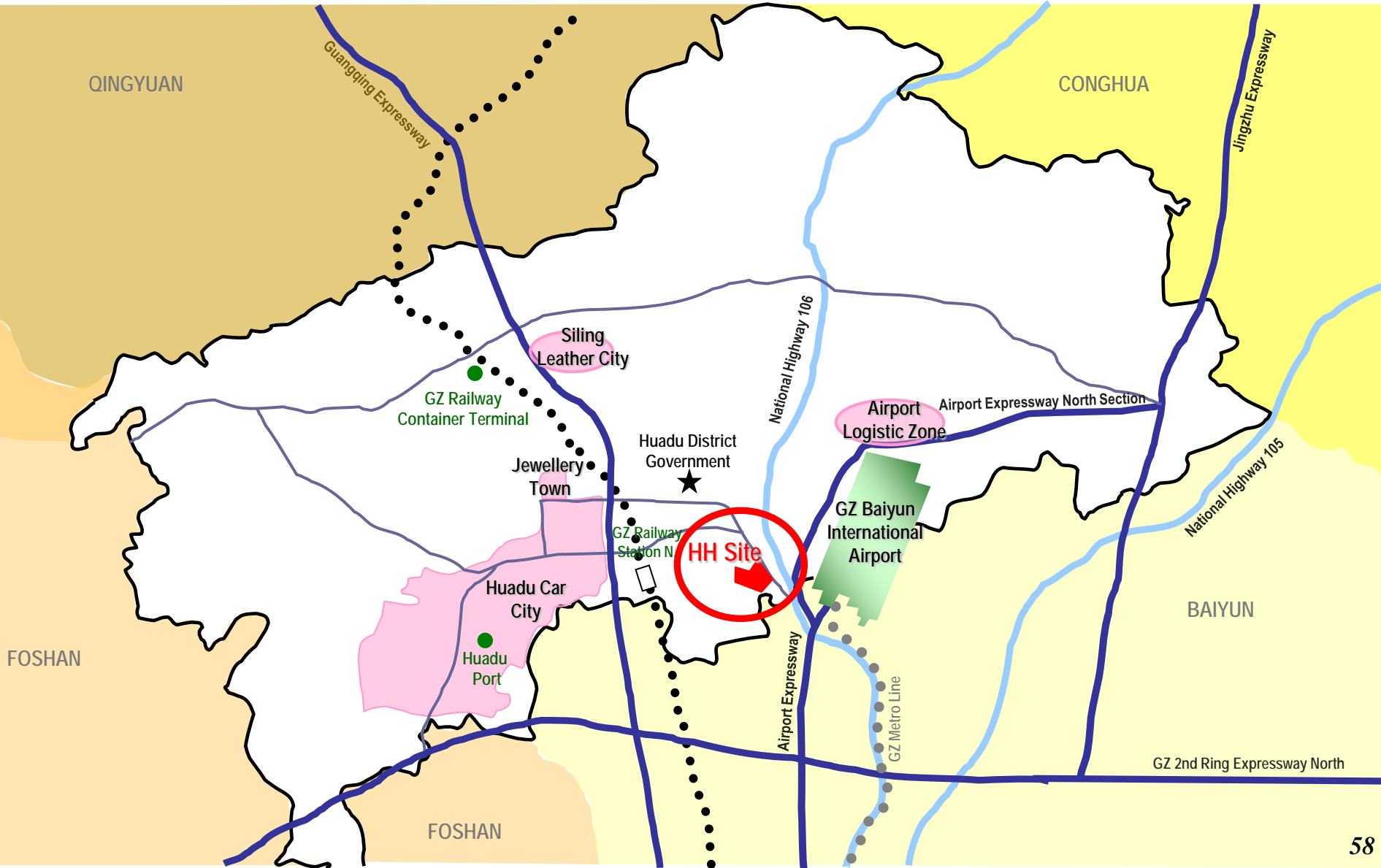
- A 25-storey commercial building in Wan Chai
- Total GFA approx. 77,000ft²
- A mix of dining and entertainment

GARDENEast

- A 28-storey building with 96,500ft²
- 216 luxury serviced apartments and retail shops

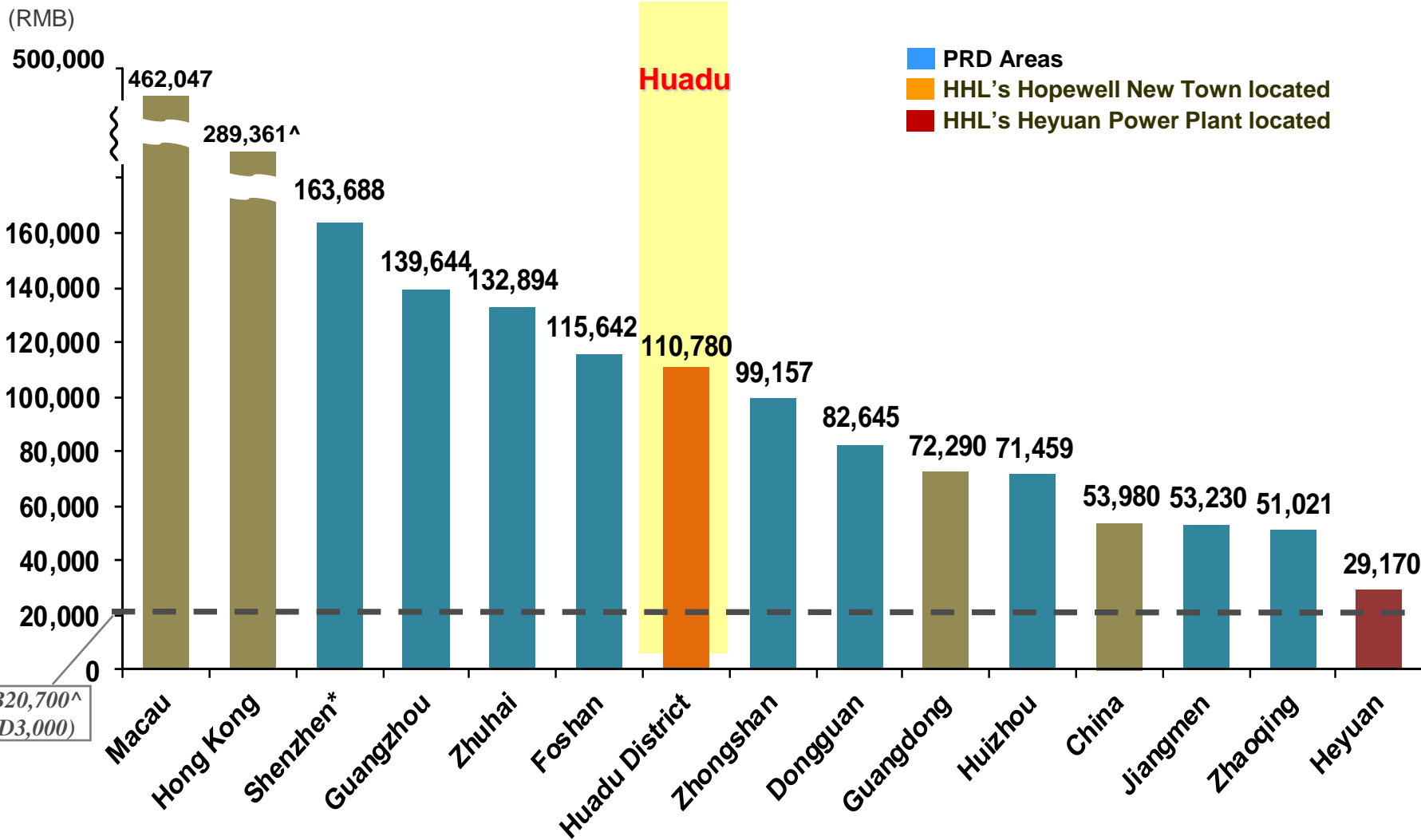
Huadu District – Strategic Development Plan

■ Approx. 3km away from GZ Baiyun Int'l Airport & 20km from Guangzhou City



Huadu District – GDP per Capita

PRD: 2016 GDP per Capita



Source: Guangdong Statistical Year Book 2016, 廣東省及各市區國民經濟和社會發展統計公報, Hong Kong Census & Statistics Department and Macao Statistics & Census Service, Bloomberg, CEIC

* Estimated data for Shenzhen

^ Based on exchange rate RMB1 = HK\$1.11664; RMB1 = MOP1.202119; RMB1 = USD0.1451

Heyuan Power Plant

Project Description

Location	Heyuan City (Northeast of the Guangdong Province)
Installed Capacity	2 x 600MW Coal-fired Power Plant
HHL's Stake	35%
JV Partner	Shenzhen Energy Group Co., Ltd
Total Investment	About RMB4.7b*
Financing Structure	Equity: 30% (fully injected) Bank Debt: 70%
Sales Market	Guangdong Province

* As per final account

~ END ~