



亞洲聯合基建控股有限公司
ASIA ALLIED INFRASTRUCTURE HOLDINGS LIMITED

[For Immediate Release]

ASIA ALLIED INFRASTRUCTURE ANNOUNCES 2018 INTERIM RESULTS

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**VIGOROUSLY SEIZES OPPORTUNITIES IN GREATER BAY AREA
TO BECOME A DIVERSE DEVELOPER IN ASIA**

Highlights

- Revenue amounted to HK\$ 3.2 billion
- Net profit attributable to shareholders amounted to HK\$ 84.54 million
- Continues to look for opportunities arising from Guangdong-Hong Kong-Macao Bay Area development plan

(Hong Kong, 29 November 2018) — **Asia Allied Infrastructure Holdings Limited** (“**Asia Allied Infrastructure**” or the “**Group**”) (stock code: 00711.HK) announced its interim results for the six months ended 30 September 2018.

The Group recorded a total revenue of HK\$3.2 billion for the six months ended 30 September 2018. Net profit attributable to the shareholders amounted to HK\$84.54 million, an increase of 18.6% year-on-year.

During the review period, Asia Allied Infrastructure has continued to look for opportunities arising from Guangdong-Hong Kong-Macao Bay Area development plan. On the other hand, the Group has also capitalised on opportunities in Hong Kong, as evidenced by the awarding of various government infrastructure projects and tunnel management contracts. In addition to such developments, the Group has sought to further diversify and expand its business interests both locally and regionally.

Mr Dominic Pang, Chairman of Asia Allied Infrastructure, said, “During the past five decades, the Group has developed from a local construction company into a well known enterprise with diverse business portfolio in Hong Kong. The Group has always been exploring opportunities and expanding its business footprint across Asia. With the aim of being an acclaimed contractor and developer in Asia, we will continue to seek new business and to broaden income streams, including through opportunities that arise from the Greater Bay Area, as a result of bringing benefits for the Group and its shareholders as a whole.”

Construction

The construction segment remains the principal business of the Group, and contributed revenue of HK\$ 2.9 billion during the review period, and achieved segment results of HK\$ 35.10 million. The total value of contracts on hand amounted to HK\$28.4 billion, of which HK\$12.3 billion worth of contracts were ongoing.

During the period under review, numerous major projects are proceeding which include the Liantang/Heung Yuen Wai Boundary Control Point, Site Formation and Infrastructure Works – Contract 3; Construction of Public Rental Housing Redevelopment at Pak Tin Estate Phase 11 in Shek Kip Mei; Phase 1 Redevelopment of Ming Wah Dai Ha; Construction of Public Rental Housing Redevelopment at Pak Tin Estate Phases 7 and 8 in Shek Kip Mei; and Subsidised Sale Flats Project at Shatin Area 36C. In overseas, the Group has commenced work on the design and construction of water conveying facilities in the Philippines via jointly venture company.

The Group has also completed several projects during the review period, which include Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities – Passenger Clearance Building as well as Design and Construction of Redevelopment of Kwai Chung Hospital (Phase 1).

The business environment in Hong Kong has become increasingly challenging, owing to the fierce competition in the construction industry, which has created headwinds for the Group's construction business. Nevertheless, the 2018 Policy Address delivered by Chief Executive of the Hong Kong Special Administrative Region Government suggests that new large-scale infrastructure projects are on the horizon.

Property Development and Assets Leasing

The property development and assets leasing segment contributed results of HK\$156.29 million during the period under review. The amount included a gain from the disposal of the residential project located at No. 2 Tsing Min Path, Tuen Mun, known as "T PLUS". The fair return highlights the favourable performance of the property sector in Hong Kong during the review period, as well as the management's foresights in managing property investment projects.

The Group has continued to achieve progress with a number of projects in Hong Kong over the past six months, including co-development of the premium residential property located at Waterloo Road, Ho Man Tin; commercial redevelopment project at Cameron Road, Tsim Sha Tsui; and residential property development at Prince Edward Road West. While at the same time, the Group will continue to seek more projects for development and investment in Hong Kong, with added prudence in view of the rising uncertainty entering the market, the result of interest rate hikes, US-China trade war, and correction in the local stock market. Moreover, the Group will explore joint venture opportunities to mitigate risk with the consideration of market conditions, as well as regularly review and optimise its property portfolio to realise favourable returns.

Professional Services

City Services Group Limited generated revenue of HK\$349.84 million, and segmental results of HK\$11.48 million for the period under review. The Group is now managing five tunnels in Hong Kong, namely the Cross-Harbour Tunnel, the Shing Mun Tunnels, the Tseung Kwan O Tunnel, the Kai Tak Tunnel and the Lion Rock Tunnel. Once the Central-Wan Chai Bypass Tunnel commences operation later in the year, the Group will be managing a total of six tunnels in Hong Kong.

Other Business

The Group has remained fully committed to diversifying its business interests. Correspondingly, it entered into a memorandum of understanding with Guangzhou Nansha Development Zone and Guangzhou Industrial Investment Fund Management Co., Ltd in April 2018, to promote the development of the Nansha Area. The Group has since commenced work with relevant parties on developing education service, as well as urban infrastructure in the region, starting with the construction of an education base.

Nonetheless, other business interests that the Group has continued to develop include the provision construction financing services, and the operation of an online building materials procurement platform. As these business interests are currently under development, their full potential have yet to be realised.

Outlook and Prospects

Looking ahead, the Group will maintain its strategy of increasing involvement in large-scale infrastructure projects resulting from both the Hong Kong and Greater Bay Area development plans. It will also look to capitalise on partnership arrangements with reputable enterprises, in which not only enable the Group to strengthen its footing in the property development arena, but also achieve progress on such fronts as education service. Further afield, the Group will actively explore opportunities to participate in different development projects across Asia via investments and acquisitions.

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Asia Allied Infrastructure Holdings Limited (stock code: 00711.HK)

Asia Allied Infrastructure Holdings Limited (“**Asia Allied Infrastructure**”) is listed on the Main Board of the Hong Kong Stock Exchange under stock code 00711. It is engaged in various businesses including construction engineering and management, property development and assets leasing, security services and property management. With Hong Kong as its business development base, **Asia Allied Infrastructure** is also exploring development opportunities with Asia as the main focus, as well as in overseas markets. Its subsidiary “Chun Wo” is a renowned construction contractor and property developer in Hong Kong, which enables **Asia Allied Infrastructure** to capitalise on that company’s solid construction experience and professional capabilities to seize the opportunities for infrastructure development in countries along the area of the “Greater Bay Area”, and, ultimately, to increase overall profitability and create higher investment value.

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