



亞洲聯合基建控股有限公司

ASIA ALLIED INFRASTRUCTURE HOLDINGS LIMITED

(Incorporated in Bermuda with Limited Liability)
(Stock Code: 00711.HK)

[For Immediate Release]

ASIA ALLIED INFRASTRUCTURE ANNOUNCES 2019/20 ANNUAL RESULTS

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STABLE BUSINESS PERFORMANCE DESPITE CHALLENGING ENVIRONMENT TO STRENGTHEN FOUNDATION AND OVERCOME DIFFICULTIES

Highlights

- Revenue amounted to HK\$8.00 billion
- Net profit attributable to Shareholders amounted to HK\$101.4 million
- Opportunities remain present as construction industry is relatively better insulated against current headwinds

(Hong Kong, 30 June 2020) — **Asia Allied Infrastructure Holdings Limited** (“**Asia Allied Infrastructure**” or the “**Group**”) (stock code: 00711.HK) announced today its annual results for the year ended 31 March 2020 (the “Year”).

The Group’s overall financial performance has remained stable despite the challenging operating environment during the Year. The Group recorded a total revenue of HK\$8.00 billion and a net profit attributable to shareholders of the company of HK\$101.4 million. Social movements in Hong Kong during the second half of 2019, suspension of Legislative Council meetings for funding approvals and the outbreak of the novel coronavirus (“COVID-19”) since late 2019, have caused disruptions to Hong Kong economy. The Group continues to evaluate the impact of COVID-19 on the Group’s businesses.

Mr. Dominic Pang, Chairman of Asia Allied Infrastructure, said, “The year of 2019 is undoubtedly the most challenging year in recent history. Apart from the Sino-US trade war and social movements in Hong Kong, the COVID-19 pandemic further impacted the local and global economy. Nevertheless, with our solid reputation and business foundation built over the past five decades, we managed to overcome the challenges and uncertainties during the Year. We shall continue to carry out our core values by strengthening our foundation, seeking suitable opportunities in the Asia-Pacific region and looking for innovative technologies and construction techniques that could contribute to the advancement of Hong Kong.”

Construction

As the Group’s core business, the construction business under the renowned “Chun Wo” brand delivered stable results during the Year, generating HK\$7.02 billion in revenue and HK\$129.4 million in segmental profit. As at 31 March 2020, the Group held contracts with an aggregate value of HK\$26.55 billion among which HK\$11.53 billion were ongoing contracts.

During the Year, the Group has won several projects leveraging on Chun Wo's solid reputation and depth of experience despite the price competitive condition. The new major projects awarded include Hong Kong Disneyland Resort Project — Arendelle Completion Package; Revamp of Public Toilets at Terminal Buildings at Hong Kong International Airport; Shek Wu Hui Effluent Polishing Plant — Main Works Stage 1 — Civil Works for Sludge Treatment Facilities and 132kV Primary Substation; Kwu Tung North New Development Area, Phase 1 — Roads and Drainage between Kwu Tung North New Development Area and Shek Wu Hui; Foundation for Public Housing Development at Anderson Road Quarry Site RS-1; and Foundation for Public Housing Development at Tung Chung Area 99.

The Group has 50 ongoing projects, including the Construction of Public Housing Development at Hiu Ming Street; Development of Anderson Road Quarry Site – Road Improvement Works and Pedestrian Connectivity Facilities Works Phase 2A; and Subcontract for the Engineering, Procurement and Construction of South East New Territories Landfill Extension. We are also entrusted with the Hong Kong International Airport – Terminal 2 Foundation and Substructure Works; Design and Construction of the Novaliches – Balara Aqueduct 4; Construction of Public Rental Housing Redevelopment at Pak Tin Estate Phases 7 & 8 and Phase 11; and Phase 1 Redevelopment of Ming Wah Dai Ha.

The business environment will remain challenging due to various factors, including the social movements and the COVID-19 pandemic, which may potentially impede the progress of infrastructure projects. Nevertheless, the Group remains optimistic as the Government's initiatives to promote infrastructure development will become major factors on the revival of the construction industry. These include Lantau Tomorrow, the 10-year Hospital Development Plan, and the enhancement work of transportation network (such as Tung Chung Line Extension, Tuen Mun South Extension and Northern Link) mentioned in the Policy Address 2018 and 2019; as well as the construction of temporary quarantine facilities on fighting against COVID-19.

Property Development and Assets Leasing

The property development and assets leasing business contributed revenue of HK\$8.8 million to the Group during the Year.

The Group commenced the sales of “The Cavaridge”, a premium residential development located at Kau To Shan, and received favourable market response in the second half of the fiscal year. Other projects under development in Hong Kong, include a quality residential development named “128 Waterloo” located at Waterloo Road, Ho Man Tin; commercial developments at Nos. 35 & 37 Cameron Road, Tsim Sha Tsui; and residential land parcel in Tung Chung with land exchange application in progress. Concurrently, the superstructure works for Phase 3 of the Shijiazhuang project (a commercial development project located in Hebei Province in Mainland China) are in progress, and the project is scheduled for presale in mid 2020.

Professional Services

The performance of the professional services segment, which includes the provision of security and facility management service and tunnel management service, grew steadily during the Year. With the recording of revenue from all six tunnel management contracts for the first time covering a full financial year, the business segment was able to generate a revenue of HK\$921.5 million and a profit of HK\$63.9 million. In terms of the security and facility management, the Group's quality service, has allowed the business to secure the renewal of contracts with several reputable clients during the Year.

The Group currently holds management contracts for six tunnels in Hong Kong, including the Cross-Harbour Tunnel, Shing Mun Tunnels, Tseung Kwan O Tunnel, Kai Tak Tunnel, Lion Rock Tunnel and Central-Wan Chai Bypass Tunnel.

Non-Franchised Bus Services

It is inspiring that our new non-franchised bus services business recorded a revenue of HK\$45.6 million during the Year. The performance of this segment was affected by social movements in Hong Kong since the second half of 2019, which led to a decline in mainland visitors and reduction of passengers. The outbreak of COVID-19 further reduced passenger volume. The Group was, however, able to respond to the challenge and mitigate the impact by shrewdly extending its shuttle bus service routes. The Group will strive to expand the non-franchised bus services in different areas so as to achieve a long-term development.

Other Business

With the aim of expanding its footprint across Asia regions, the Group has been exploring suitable business opportunities cautiously. During the second half of the Year, the Group accomplished an equity investment with ECO Group Holdings Sdn. Bhd. (“ECO”), a Malaysian company principally engaged in interior design and fitting-out, construction, manufacturing and construction materials supply chain. The Group and ECO are currently exchanging knowledge and information, and formulating plans to facilitate integration and operational synergies. Furthermore, the Group continued to examine opportunities in the education sector. On complementing its core construction operation, the Group’s online building materials procurement and management platform has continued to make headway, which is expected to be launched in late 2020.

Outlook and Prospects

For the year ahead, as the Group operates in industries which have been relatively better insulated against the current headwinds, hence opportunities remain present. The Group will therefore closely monitor local and regional developments, including the Greater Bay Area and Belt and Road regions, which will be conducive to maintain its financial performance as well as facilitating its expansion into the Asian markets. The Group will continue to reinforce its position in the local construction industry. This will include the ongoing investment in the ‘Inno@ChunWo’ brand, which aimed at making a breakthrough in developing technologies for construction, this measure is not only beneficial to the Group, but also to the entire industry. Such efforts align with the Group’s aim of developing more sustainable, cost- and time-effective construction methods and technologies that create greater value to the benefit of the general public in Hong Kong.

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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. The Group operates businesses such as construction engineering and management, property development and assets leasing, security and facility management, tunnel management, as well as non-franchised bus services. Its subsidiary “Chun Wo” is a renowned construction contractor and property developer in Hong Kong. Chun Wo’s solid construction experience and professional capabilities have enabled the Group to seize suitable development opportunities, allowing the Group to enhance its overall profitability and investment value.

For press enquiries:

Strategic Financial Relations Limited

Cindy Lung	(852) 2864 4867	cindy.lung@sprg.com.hk
Desiree Shung	(852) 2114 2200	desiree.shung@sprg.com.hk
Cherrie Man	(852) 2864 4848	cherrie.man@sprg.com.hk