



ANNUAL RESULTS 2018

20 MARCH 2019



CK Infrastructure Holdings Limited

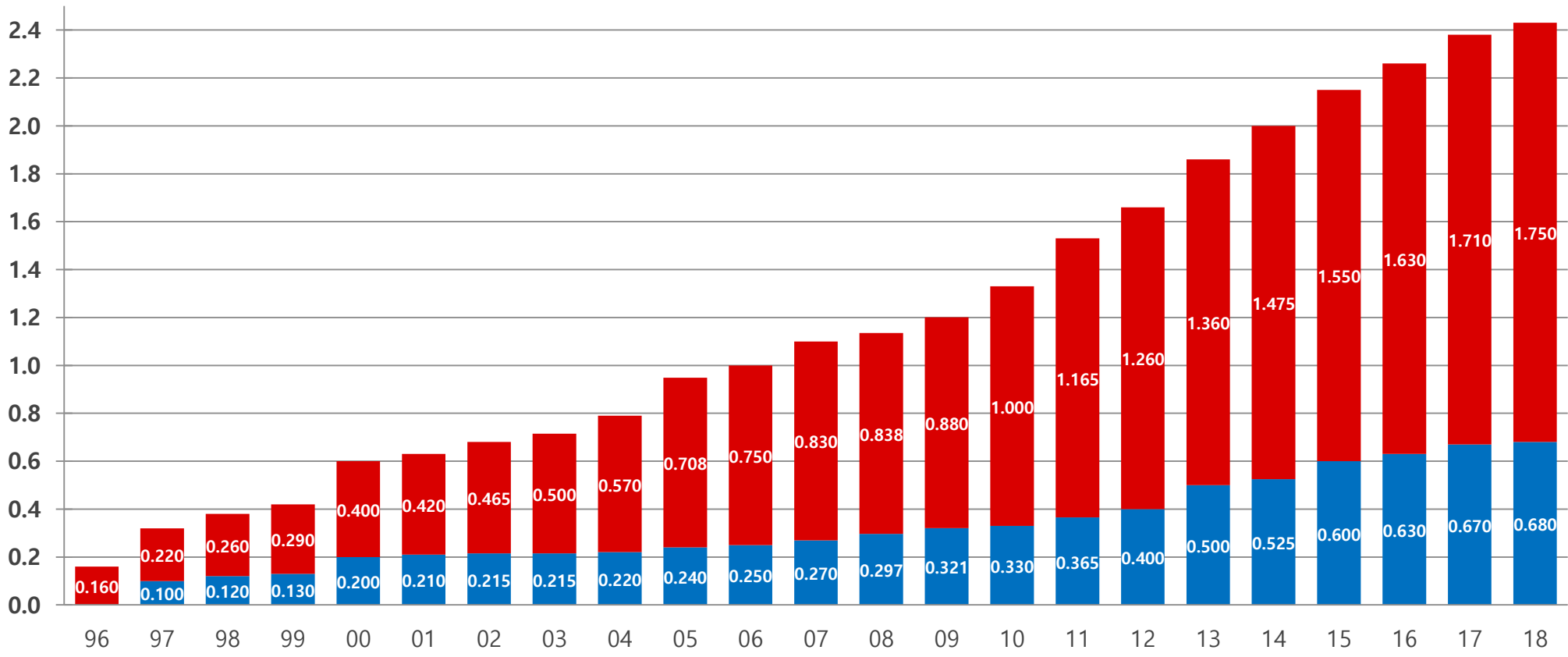


2018 Results Overview

Profit contribution from: (HK\$ million)	2018	2017	2018 vs 2017
Investment in Power Assets	2,903	3,597	-19%
United Kingdom portfolio	5,275	5,273	-
Australia portfolio	2,066	1,939	+7%
Continental Europe portfolio	870	412	+111%
Canada portfolio	335	241	+39%
New Zealand portfolio	172	171	+1%
Hong Kong and Mainland China portfolio	389	468	-17%
Total Profit Contribution	12,010	12,101	-1%
Profit Attributable to Shareholders	10,443	10,256	+2%
Underlying Business Profit Contribution	10,443	9,236	+13%
EPS (HK\$/share)	4.14	4.07	+2%
Interim DPS (HK\$/share)	0.680	0.670	+1.5%
Final DPS (HK\$/share)	1.750	1.710	+2.3%
Full year DPS (HK\$/share)	2.430	2.380	+2.1%

Sustainable Dividend Growth (22nd Consecutive Year)

■ Interim Dividend ■ Final Dividend



Dividends per Share (HK\$)

Global Portfolio

As of 19 March, 2019

Mainland China / HK	
33.5%	Shen-Shan Highway (Eastern Section)
30%	Shantou Bay Bridge
51%	Tangshan Tangle Road
44.2%	Changsha Wujialing and Wuyilu Bridge
50%	Jiangmen Chaolian Bridge
40%	Panyu Beidou Bridge
50%	Alliance Construction Materials
100%	Green Island Cement
100%	Anderson Asphalt
100%	Green Island Cement (Yunfu)
67%	Guangdong Gitic Green Island Cement

United Kingdom	
40%	UK Power Networks
40%*	Northumbrian Water
47.1%	Northern Gas Networks
30%*	Wales & West Gas Networks
50%*	UK Rails
25%	Seabank Power
4.8%	Southern Water

Continental Europe	
35%*	Dutch Enviro Energy
50%	Portugal Renewable Energy
35%	ista

Australia	
23.1%	SA Power Networks
23.1%	Victoria Power Networks
26.4%	United Energy
45.0%*	Australian Gas Networks
40%	Multinet Gas
40%	Dampier to Bunbury Pipeline
40%	Energy Developments
50%	Australian Energy Operations

New Zealand	
100%	EnviroNZ
50%	Wellington Electricity

Canada	
50%	Canadian Power
50%*	Park'N Fly
16.3%	Canadian Midstream Assets
25%	Reliance Home Comfort

Investment in PAH

36.0%	Power Assets (6-HK)
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Note: * The percentages exclude the economic benefits acquired from CKHH by CKI in October 2018

CKI Long Term Development Strategy

- » To nurture organic growth from the Group's existing portfolio
- » To expand the Group's portfolio by acquiring quality businesses with strong and recurrent returns
- » To maintain a strong balance sheet with steady cash flow and low gearing

Analysis on Profit Attributable to Shareholders

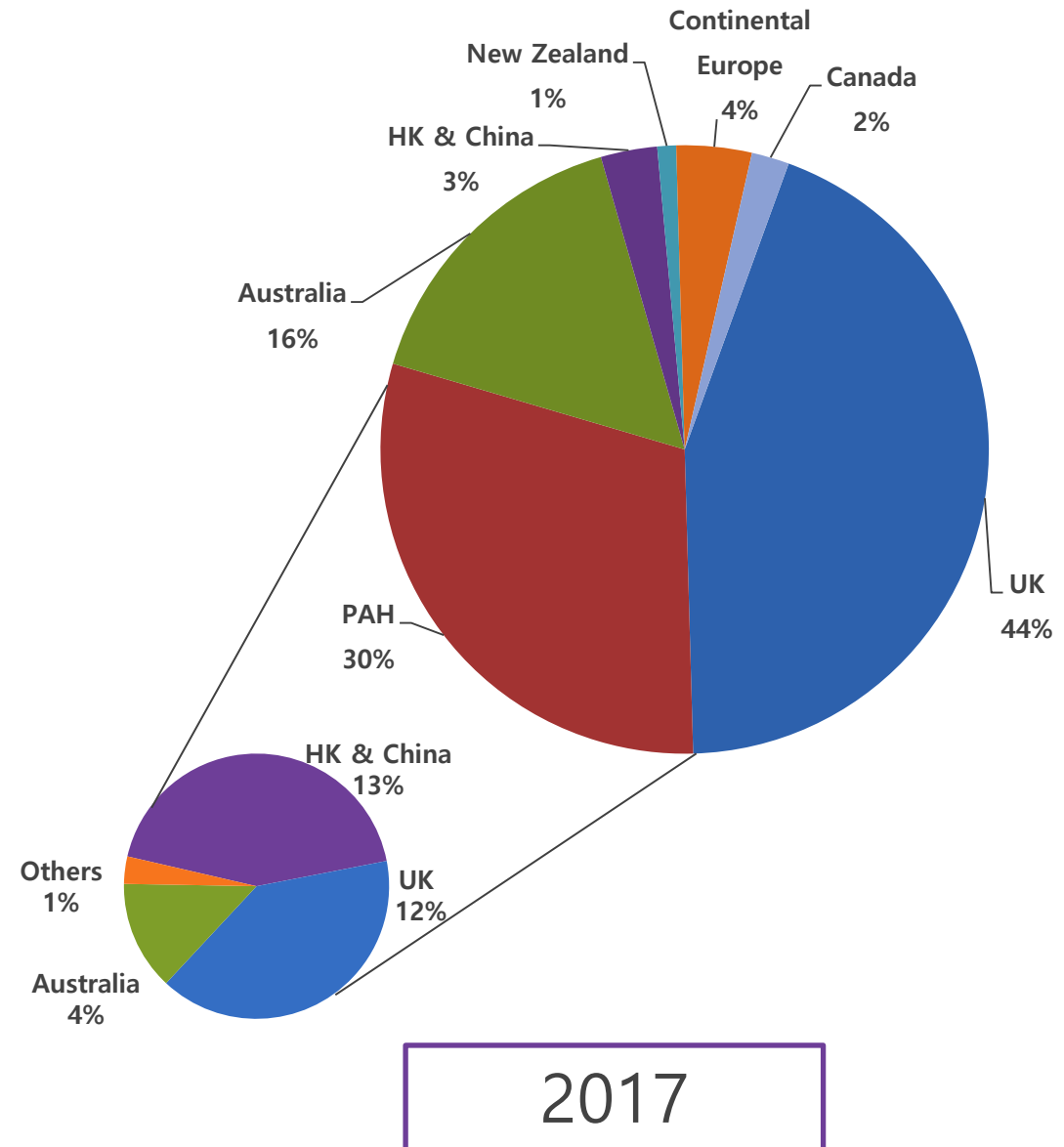
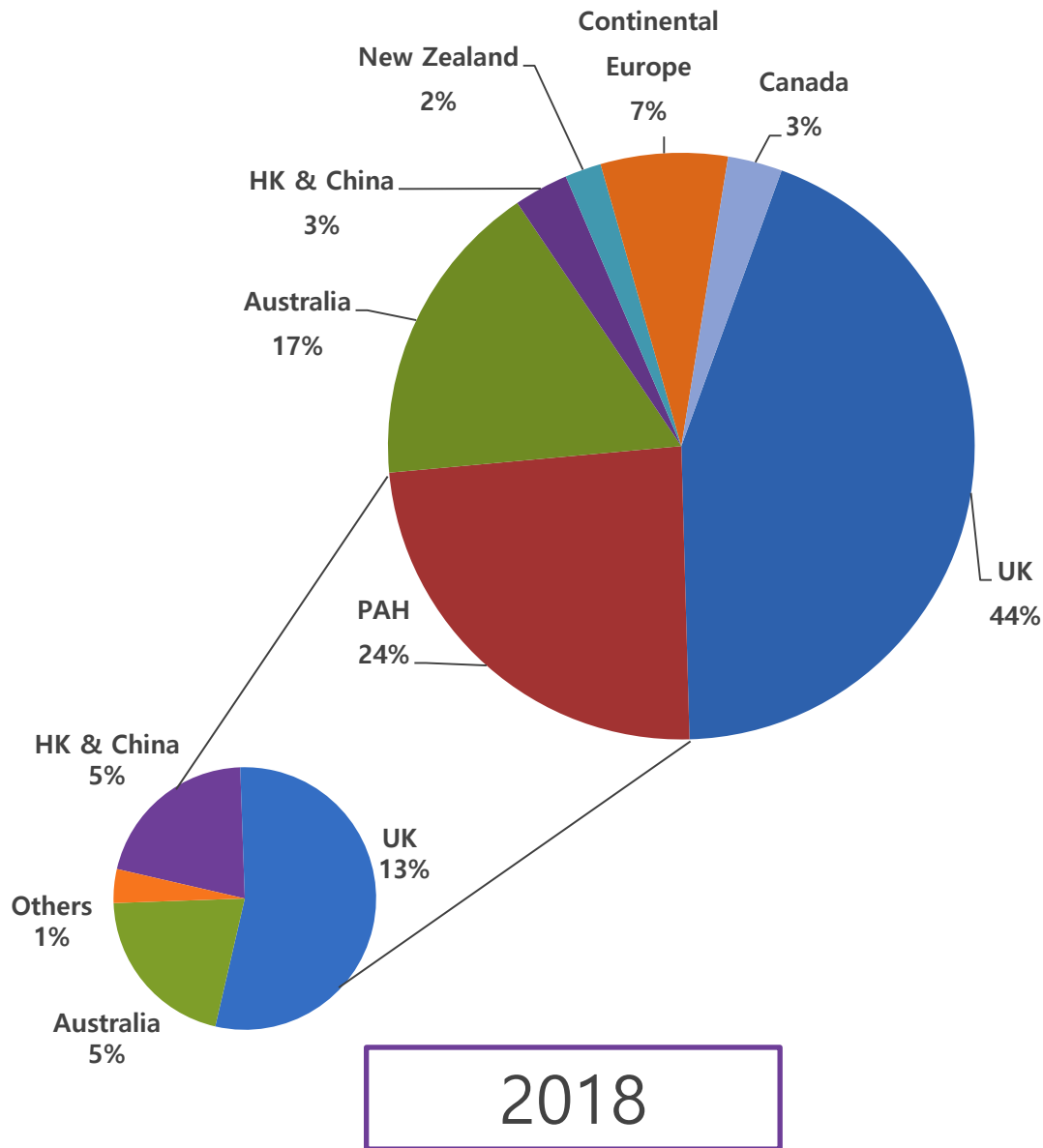
(in HK\$ million)	2018	2017	2018 vs 17
Investment in Power Assets	2,903	3,597	-19%
United Kingdom portfolio	5,275	5,273	-
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Continental Europe portfolio	870	412	+111%
Canada portfolio	335	241	+39%
New Zealand portfolio	172	171	+1%
HK & Mainland China portfolio	389	468	-17%
Total Contribution from Businesses	12,010	12,101	-1%
Treasury Related Activities & Others	(771)	(1,219)	+37%
Distribution to Perpetual Securities	(796)	(626)	-27%
Profit Attributable to Shareholders	10,443	10,256	+2%
Underlying Business Profit Contribution	10,443	9,236	+13%

Exceptional items (HK\$ million)	2018	2017
Disposal of 0.86% interest in Power Assets	-	+383
Power Assets' properties disposal	-	+350

Exceptional items (HK\$ million)	2018	2017
Various one-off items	-	+225

Exceptional items (HK\$ million)	2018	2017
One-off liability indemnity release of Spark Manager	-	+62

Profit Contribution by Regions



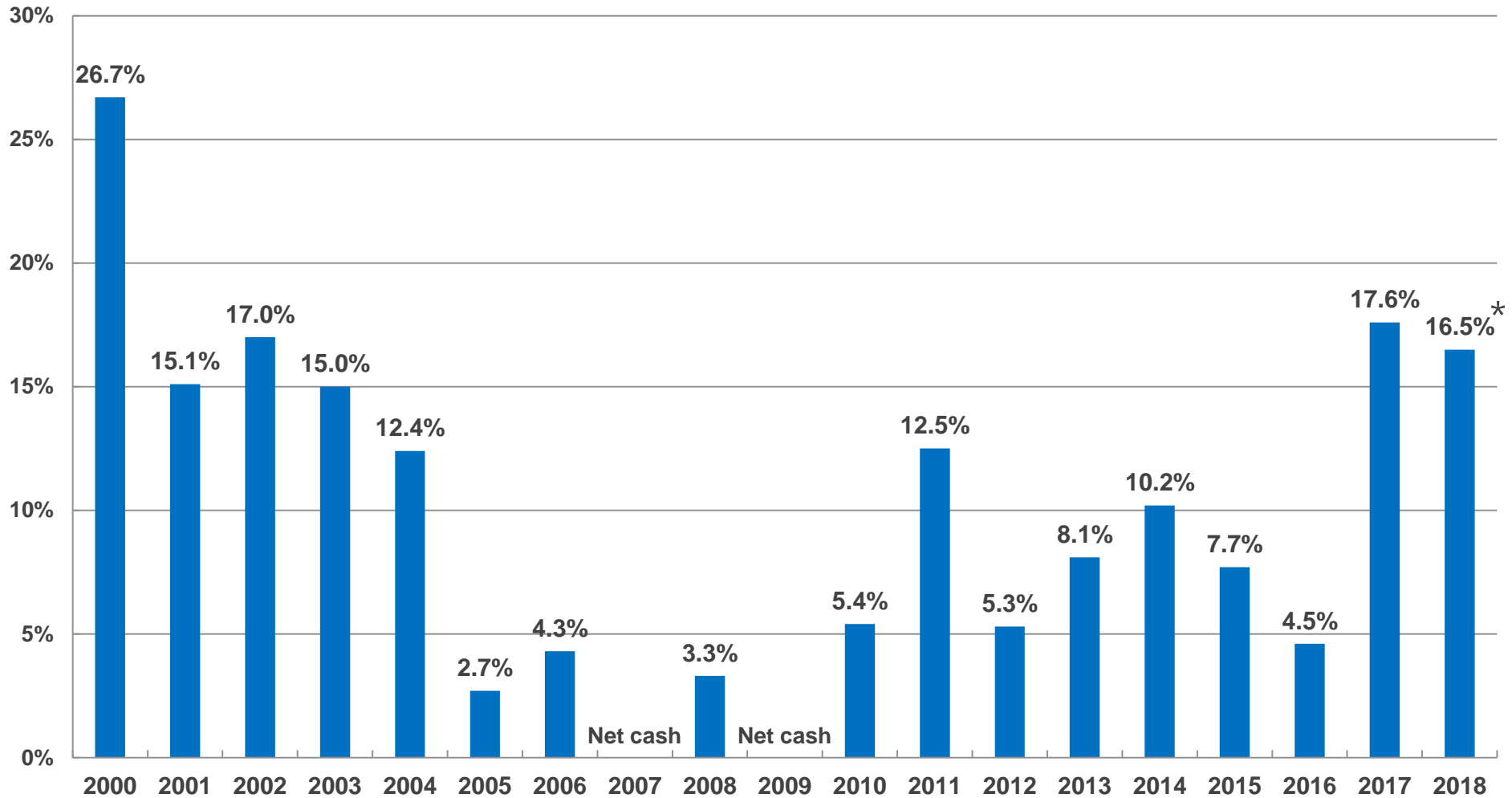
Solid Financial Position

	Dec 31, 2018	Dec 31, 2017
Cash on hand (HK\$ million)	6,090	9,781
Debts (HK\$ million)	30,139	35,036
Total equity (HK\$ million)	121,904	118,192
Net debt to net total capital ratio	16.5%*	17.6%
S&P credit rating	A/Stable	A-/Positive

* The net debt to net total capital ratio would be approximately 15% after adjusting the proceeds from sales of 2.05% of Power Assets' shares in January 2019

CKI Gearing Ratio (Since 2000)

Net Debt / Net Total Capital



* The net debt to net total capital ratio would be approximately 15% after adjusting the proceeds from sales of 2.05% of Power Assets' shares in January 2019

- » Potential UK listing - the Group is considering a potential listing on the London Stock Exchange for selling some minority interests in its European and UK assets
 - There is no timetable to be disclosed currently and the transaction may or may not happen
- » In January 2019, CKI sold 2.05% interests in Power Assets for approximately HK\$2.3 billion
 - CKI currently owns 35.96% stakes in Power Assets

Acquired Economic Benefits of CKHH's Infrastructure

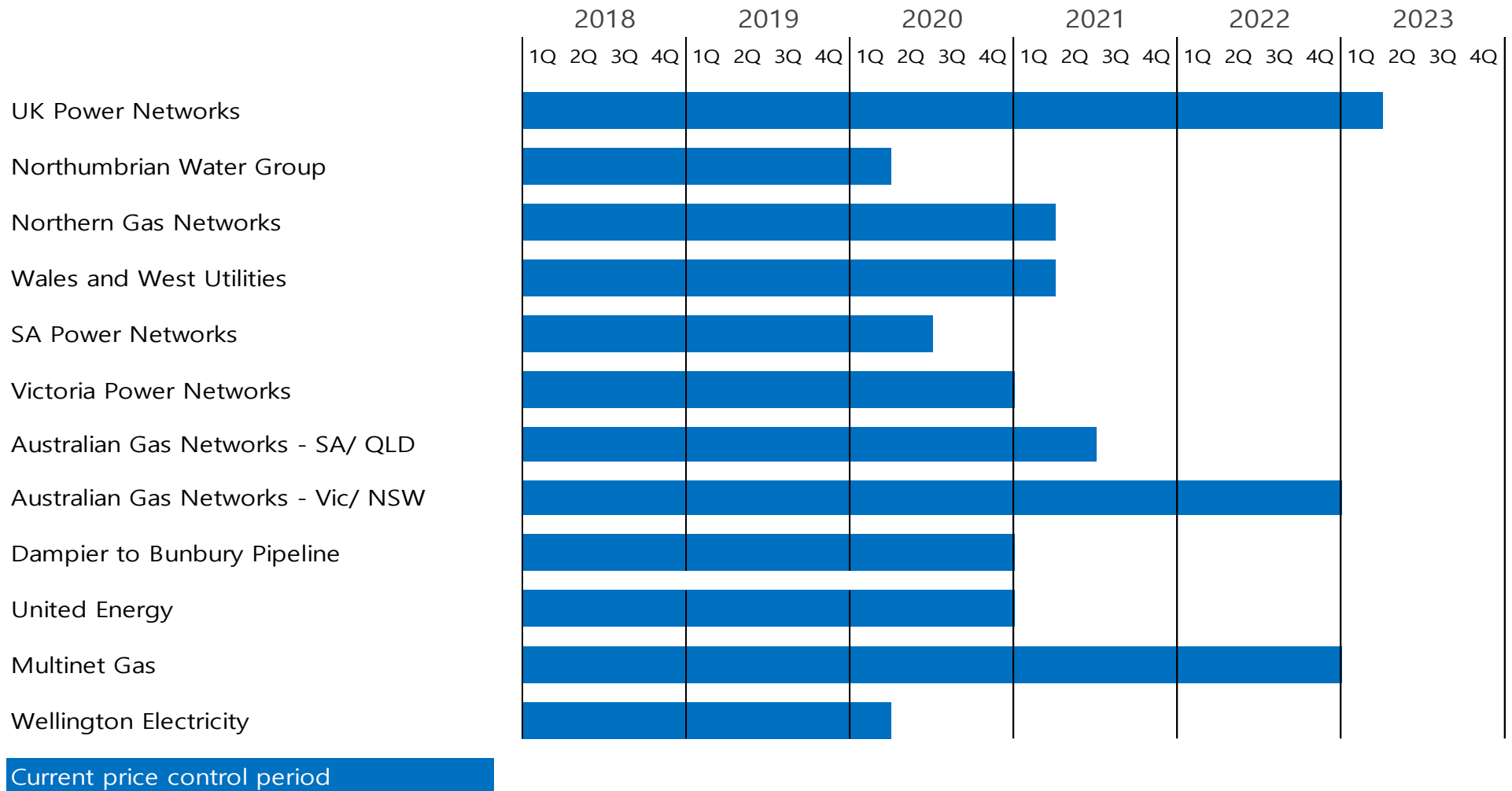
- » CKHH agreed to pay 90% of the economic benefits of its six infrastructure projects to CKA, CKI and PAH on 40/30/20 basis (the remaining 10% stays with CKHH)
- » Total consideration for the 90% is US\$2,751.59 million (approximately HK\$21.6 billion), CKI's consideration was HK\$7.2 billion

Key rationales:

- » Target return meets our typical investment criteria with immediate cash flow generation
- » These projects have been under CKI's portfolio – minimal execution risk compare to new project acquisitions
- » Dropdown of infrastructure projects to CKI is viewed by market as a welcomed move to simplify the structure

Regulatory Resets Update

» Regardless of the regulatory environment, CKI's regulated businesses target to be efficient operators under their respective regimes



Uncertainties Ahead of Upcoming Regulatory Resets

- » Lower WACCs across industries and regions
 - Interest rates/risk free rates in most countries continue to stay low
 - Regulators are looking to squeeze the allowed cost of equity
 - Need to balance affordability for customers, environmental concerns and incentives for investors to continue investing into infrastructure
- » Regulatory challenges will be addressed through financial and operational outperformance
 - Management of operating companies have a track record of delivering outperformance, and are incentivised to continue to deliver

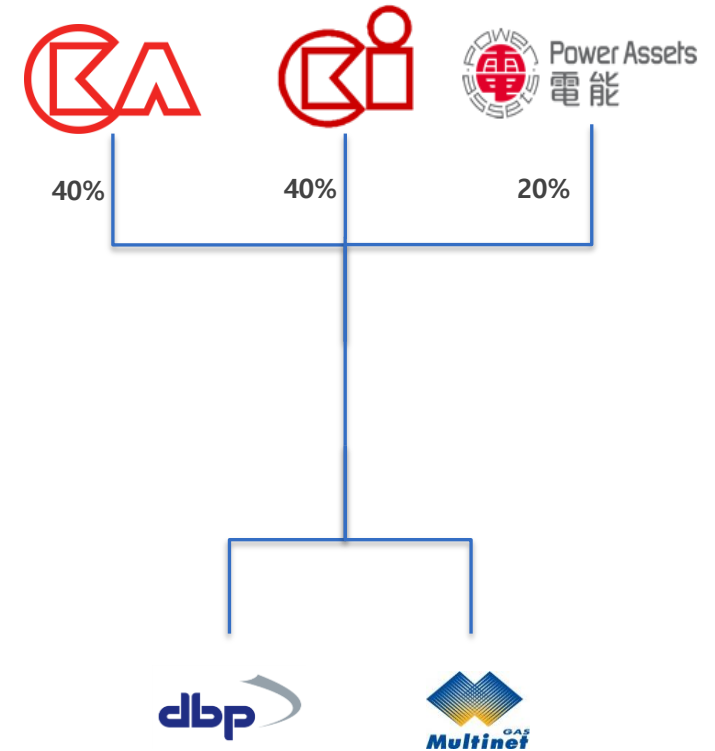
UK Political Environment

- » Considerable political uncertainty and volatility
 - Brexit
 - Re-nationalisation debate

- » CKI and its operating companies monitor the political environment closely, taking appropriate anticipatory steps to minimise risk

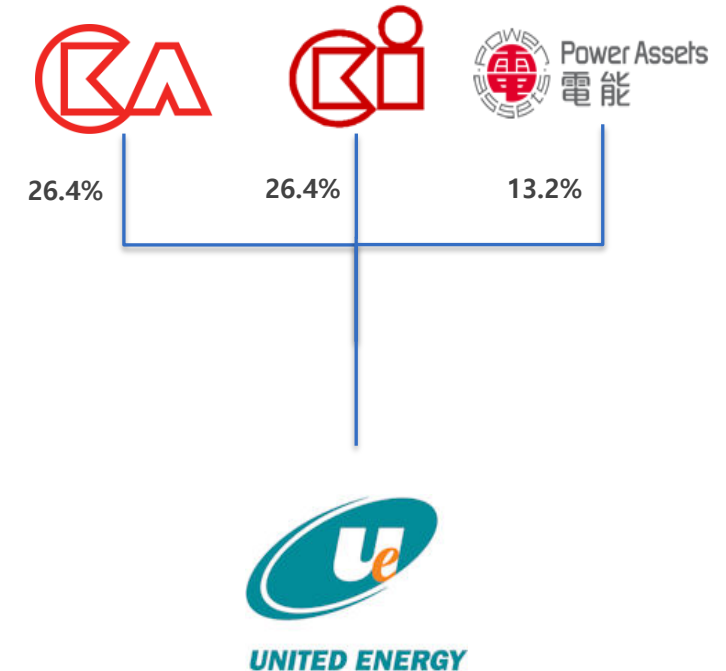
Multinet Gas and DBP Update

- » Multinet Gas and Dampier to Bunbury Pipeline (DBP) were acquired in May 2017; they are wholly owned by the CK consortium
- » Multinet Gas operates a gas distribution network in the state of Victoria; DBP is a gas transmission pipeline connecting the Carnarvon/Browse Basins with Perth
- » Multinet and DBP have been integrated under existing management structures with Australia Gas Networks
 - Significant synergies from centralised costs
 - Interest savings resulting from credit rating improvements
 - Safety initiatives rolled out across group
 - Improved performance arising from management incentivisation
- » Strong expansion in contracted business for DBP



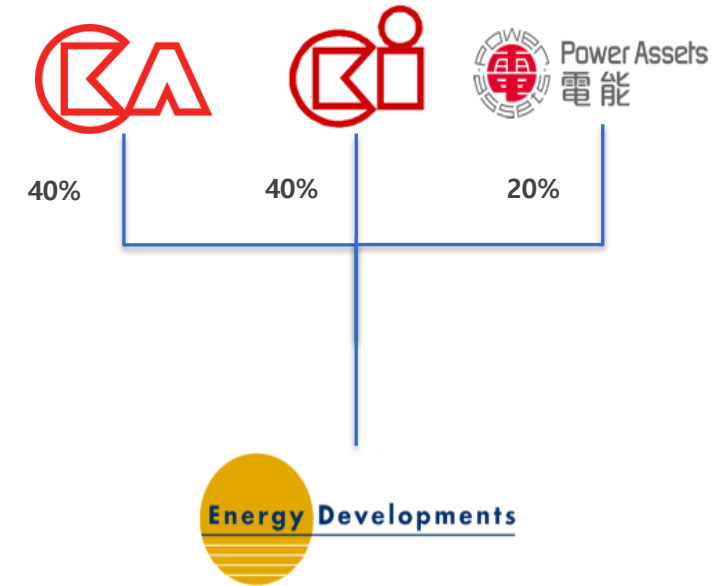
United Energy Update

- » United Energy was acquired in May 2017 and 66% owned by the CK consortium
- » United Energy is an electricity distribution network in the state of Victoria
- » Currently co-managed with Victoria Power Networks
 - Significant synergies from centralised costs
 - Interest savings resulting from credit rating improvements
 - Safety initiatives rolled out across group
 - Improved performance arising from management incentivisation
- » Working on the next regulatory reset which starts on 1 January 2021



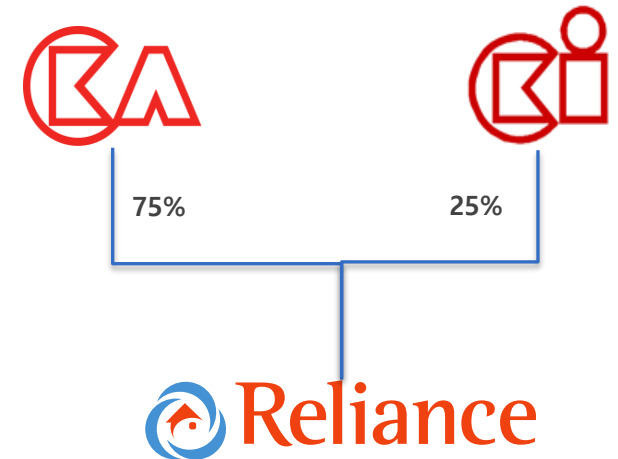
EDL Update

- » Energy Developments Limited (EDL) was acquired in May 2017; it is wholly owned by the CK consortium
- » EDL owns and operates power generation facilities specialize in clean energy (e.g. landfill gas, waste coal mine gas and renewables) and remote energy, with installed capacity over 990MW
- » In 2018, more new contracts signed and acquisition in the U.S. to support growth



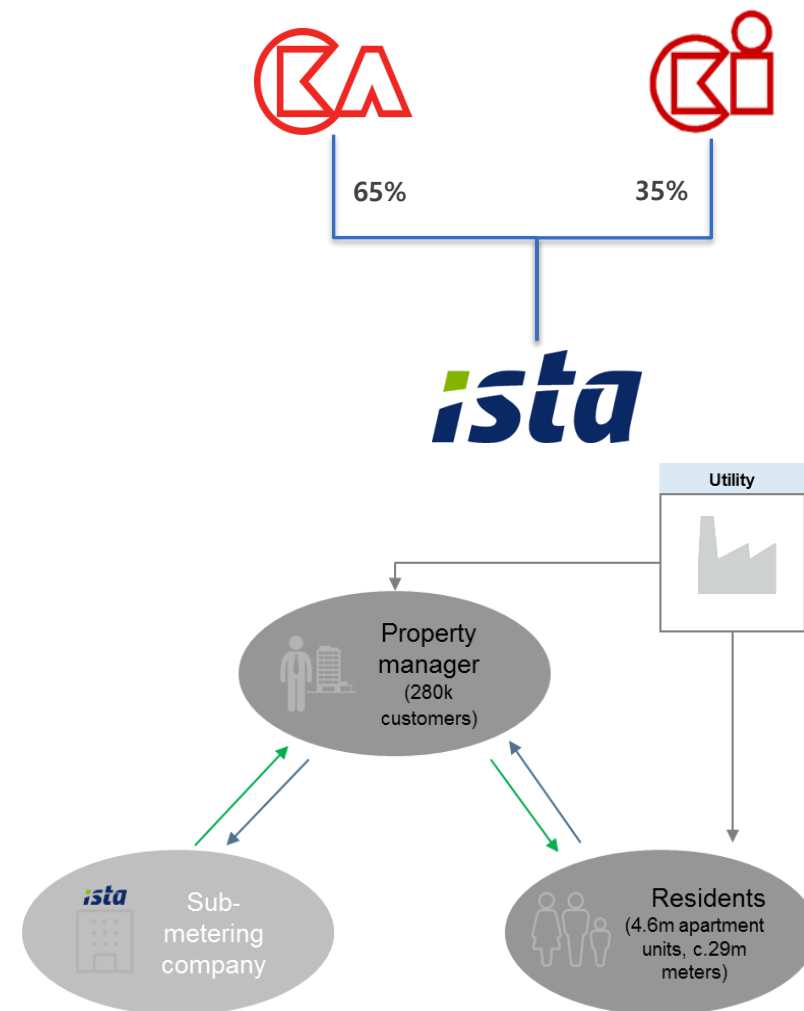
Reliance Update

- » The largest water heater and Heating, Ventilation, Air Conditioning (HVAC) rental company in Canada, acquired in July 2017 by CK Group
- » Equity value C\$2.9bn, enterprise value C\$4.6bn
- » Since acquisition, Reliance has:
 - Integrated its US acquisition (Reliable), achieving better contracted revenue than expected
 - Acquired small portfolios of water heater and Heating, Ventilation, Air Conditioning assets



ista Update

- » Provider of sub-metering and consumption-based billing services for water and heat, in 24 countries, headquartered in Germany, acquired in Oct 2017
- » Equity value €4.4bn, enterprise value €6.0bn
- » Company highlights:
 - Strong performances in core markets: Germany, France, Denmark, Luxemburg, the Netherlands, Norway and Sweden
 - Streamlining other developing markets to improve efficiency



Disclaimer

Potential investors and shareholders of the Companies (the “Potential Investors and Shareholders”) are reminded that the Presentation comprises extracts of recent operational data and financial information of the Group which have not been reviewed or audited by the Companies’ auditors.

Potential Investors and Shareholders should exercise caution when investing in or dealing in the securities of the Companies.



THANK

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