長江實業集團有限公司
CK ASSET HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability – Stock Code: 1113)

2022 Annual Results

16 March 2023

Disclaimer

Potential investors and shareholders of the Company (the “Potential Investors and Shareholders”) are reminded that information contained in this Presentation comprises extracts of operational data and financial information of the Group. The information included is solely for the use in this Presentation and certain information has not been independently verified. No representations or warranties, expressed or implied, are made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions presented or contained in this Presentation. Potential Investors and Shareholders should refer to the 2022 Annual Results of the Company which are published in accordance with the listing rules of the Stock Exchange of Hong Kong Limited.

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

2022 Annual Results Highlights

HK$21,683 million of reported earnings

HK$ Million	2022	2021	Change
Revenue	**79,551**	83,241	-4.4%
Profit attributable to shareholders	**21,683**	21,241	+2.1%
Earnings per share (HK$ / share)	**5.98**	5.77	+3.6%

Note:

(1) 2021 EPS is based on profit attributable to shareholders and on the weighted average of 3,677,489,596 shares in issue during 2021.

(2) 2022 EPS is based on profit attributable to shareholders and on the weighted average of 3,628,235,965 shares in issue during 2022.

2022 Annual Results Highlights
3.6% *increase in DPS*

Dividend per share

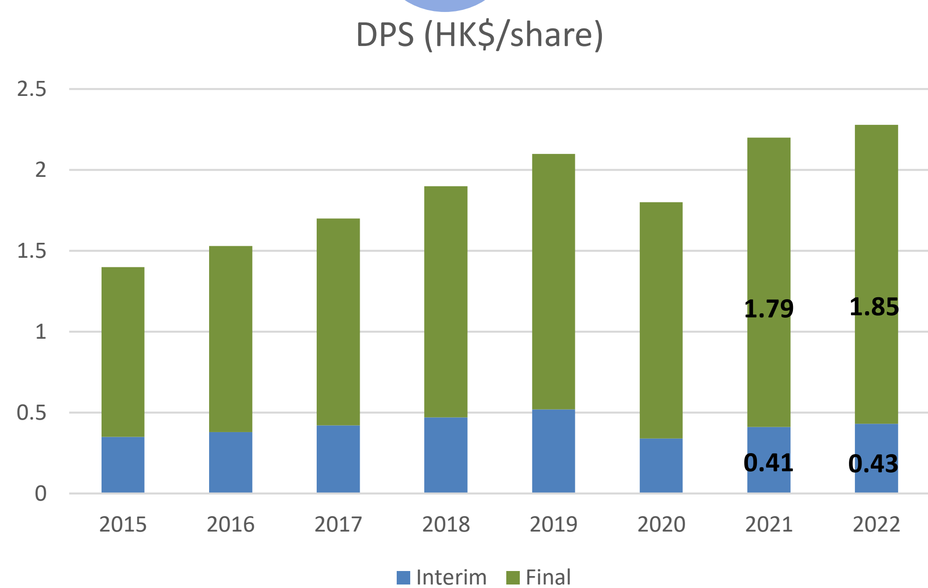
Interim HK$0.43
Final HK$1.85
FY2022 HK$2.28

+3.6%

Net book value per share (1)

HK$105.30

+3.3%



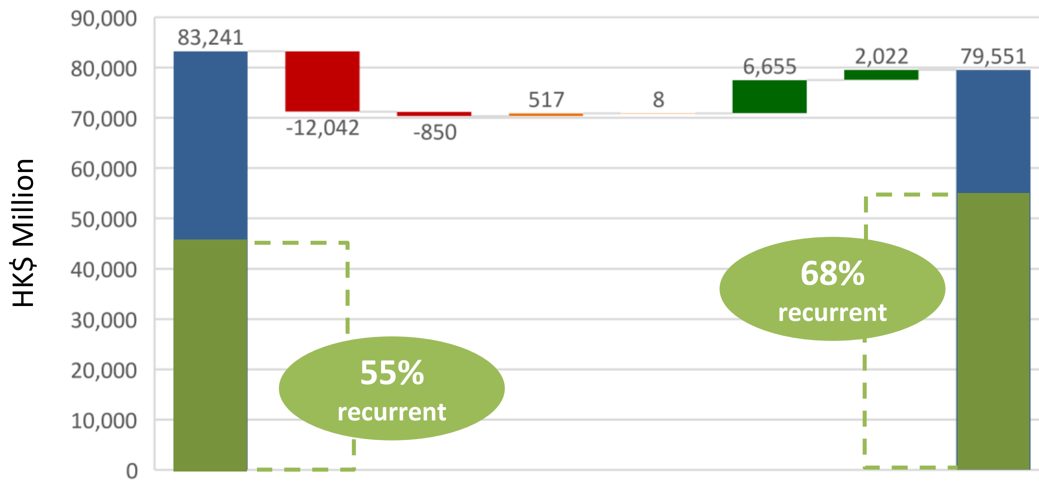
Note:
(1) Based on 3,605,190,333 shares in issue on 31 Dec 2022.
(2) The guaranteed dividend amount for FY2022 is the sum of (a) the total amount paid by the Company in dividends in respect of the financial year ended 31 December 2020 (HK$6,648m) and (b) the 2022 cash distributions received (HK$988m) from the acquired companies pursuant to the acquisition of minority interests in four infrastructure companies from the Li Ka Shing Foundation in May 2021.

Principal Activities Analysis

57% of our profit contribution is recurrent in nature

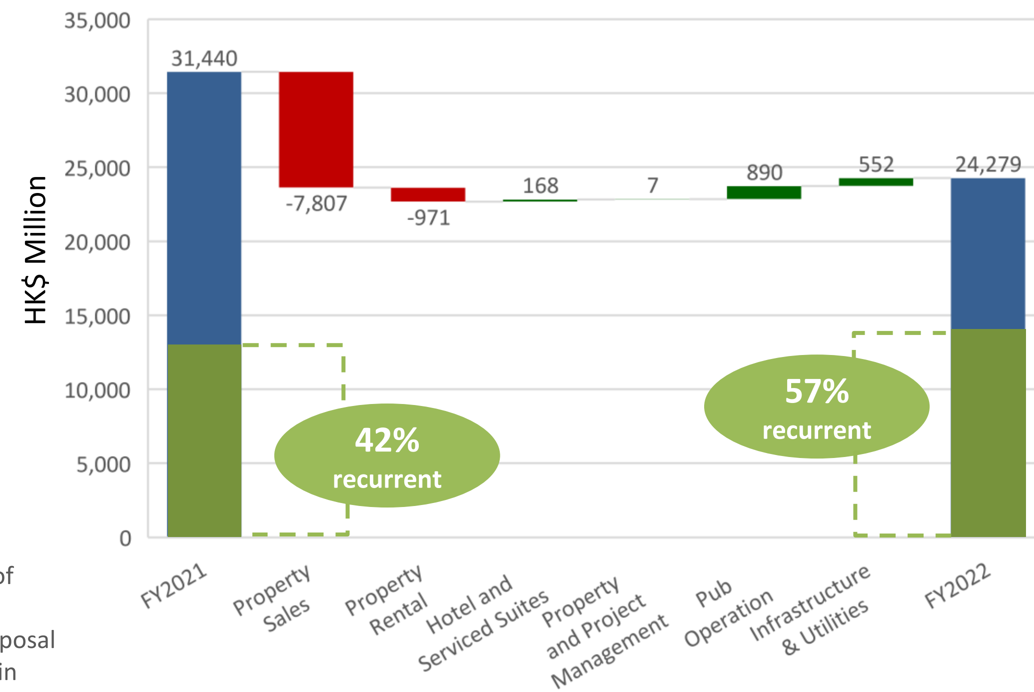
Revenue by Principal Activities

Recurrent Revenue	
FY2022	FY2021
HK$ 53,795M	HK$45,443M



Profit Contribution by Principal Activities

Recurrent Profit Contribution	
FY2022	FY2021
HK$13,940M	HK$13,294M



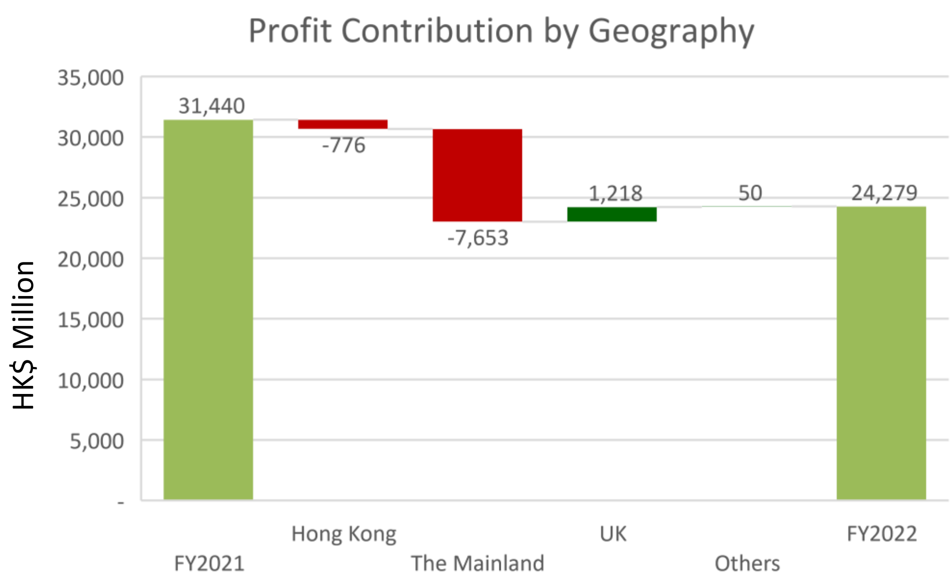
Note:

(1) Profit Contribution refers to contribution from principal activities after depreciation, impairment and absorption of overhead expenses but before interest costs and tax.

(2) Excludes contribution from aircraft leasing, surplus on disposal of investment properties and gain on disposal of interest in utility joint venture.

2022 Final Results Highlights

47% contribution from HK, 17% from the Mainland, 37% from UK and Others



HK$ Million	2022
	Profit Contribution
Hong Kong	**11,309**
The Mainland	**4,034**
UK	**4,570**
Others	**4,366**
Total	**24,279**

Note:

(1) Profit Contribution refers to contribution from principal activities after depreciation, impairment and absorption of overhead expenses but before interest costs and tax.

(2) Excludes contribution from aircraft leasing, surplus on disposal of investment properties and gain on disposal of interest in utility joint venture.

Property Sales

Property Sales



HK$ Million	**2022**	2021	Change
Revenue	**25,756**	37,798	-32%
Profit contribution	**10,339**	18,146	-43%
Margin	***40.1%***	*48.0%*	



Note:

(1) In September 2022, the Group entered into an agreement for the sale of its wholly owned subsidiary – Bristow Investments Limited, the developer of 21 Borrett Road in Hong Kong and owner of the remaining unsold residential units and carparks.

Property Sales

Healthy margins in core markets

HK$ Million	Revenue		Profit Contribution & Margin			
	2022	2021	2022		2021	
Hong Kong	14,511	15,724	6,374	43.9%	6,995	44.5%
The Mainland	9,916	21,722	3,799	38.3%	11,141	51.3%
Overseas	1,329	352	166	12.5%	10	2.8%



Property Sales

HK$14,886M contracted sales not yet recognized

- About HK$9,425 million scheduled for recognition in 2023

Property Rental

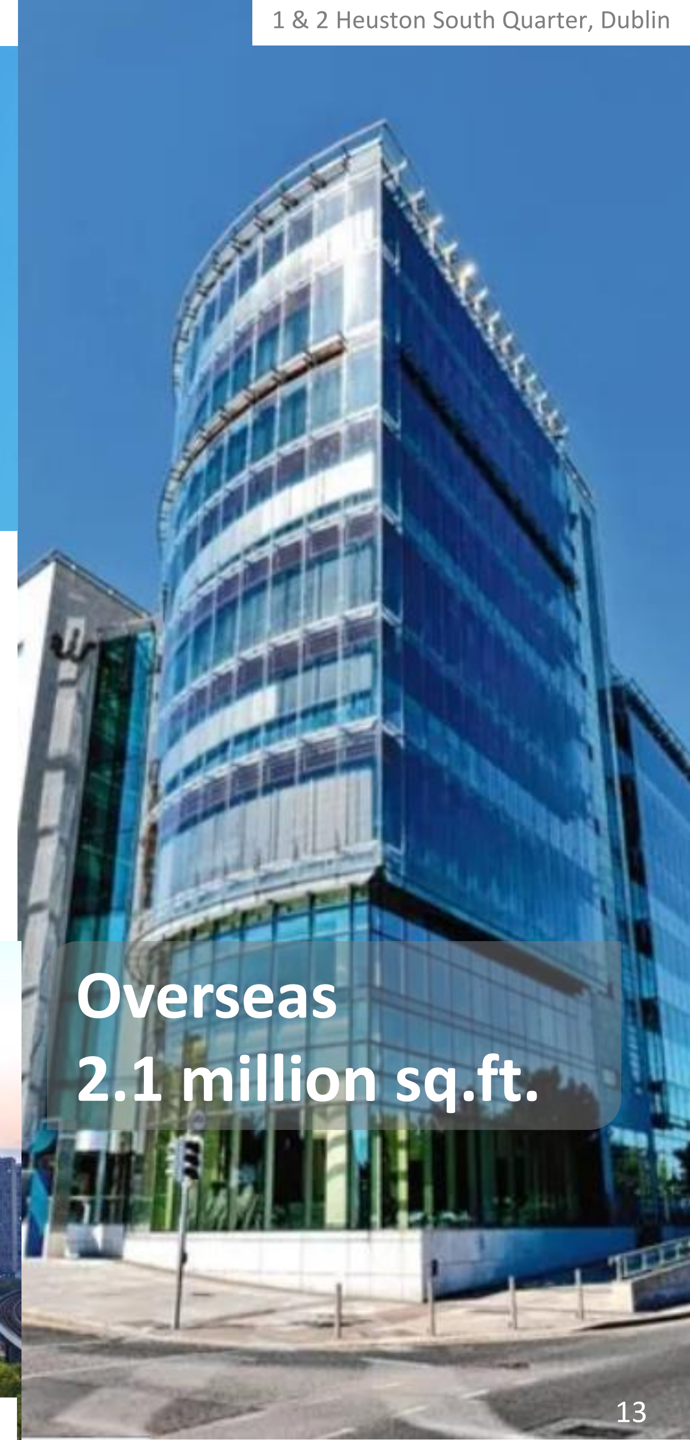
Property Rental

Contribution impacted by disposal of 5 Broadgate

HK$ Million	**2022**	2021	Change
Revenue	**5,843**	6,693	-13%
Profit contribution	**4,690**	5,661	-17%
Margin	***80.3%***	*84.6%*	

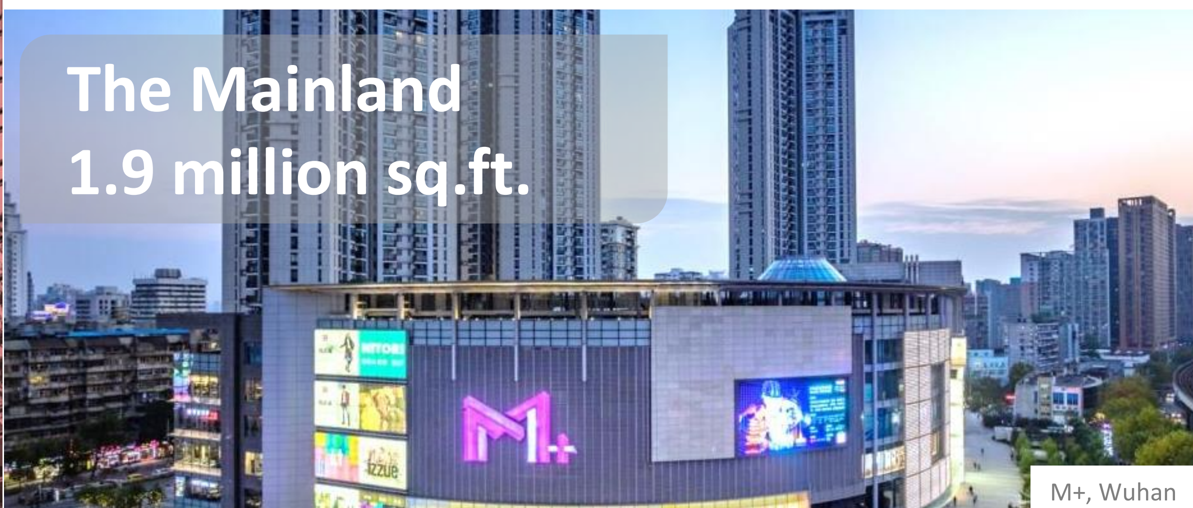
A surplus of HK$738 million was recognized for the disposal of 5 Broadgate in March 2022 under "Surplus on disposal of investment properties"

Cheung Kong Center, Hong Kong



1 & 2 Heuston South Quarter, Dublin

17.1 million sq.ft. of investment properties



M+, Wuhan

Cheung Kong Center, Hong Kong

Increase in fair value of investment properties of HK$967 million

M+, Wuhan

1 & 2 Heuston South Quarter, Dublin

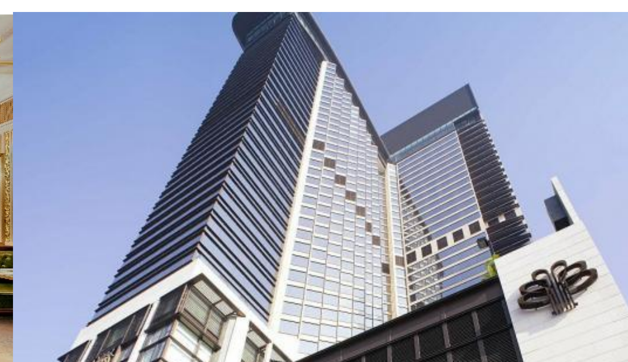
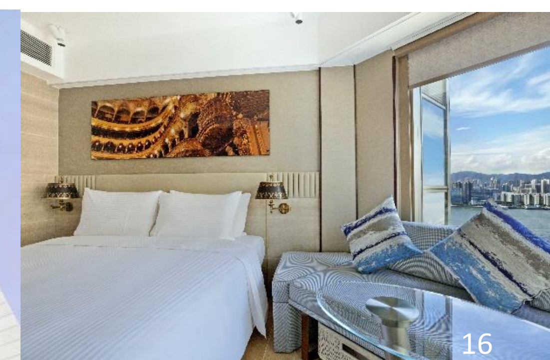
4% - 8% cap rate

Hotel and Serviced Suite Operation

Hotel and Serviced Suite Operation

Positive contribution in 2022 and gradual recovery anticipated

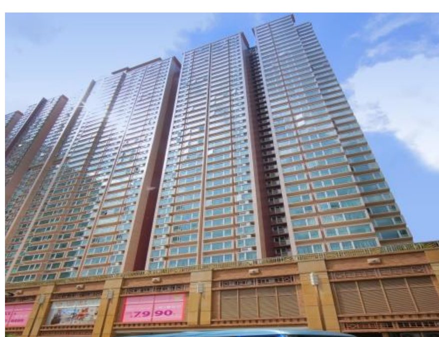
HK$ Million	**2022**	2021	Change
Revenue	**3,228**	2,711	+19%
Profit contribution	**567**	399	+42%
Margin	***17.6%***	*14.7%*	

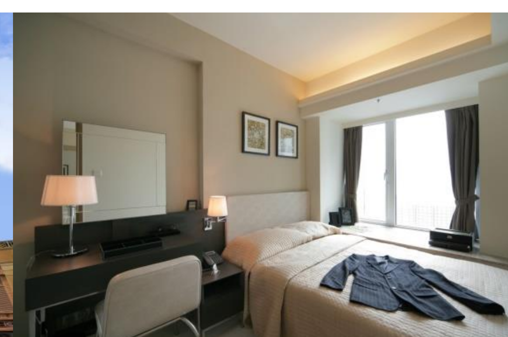




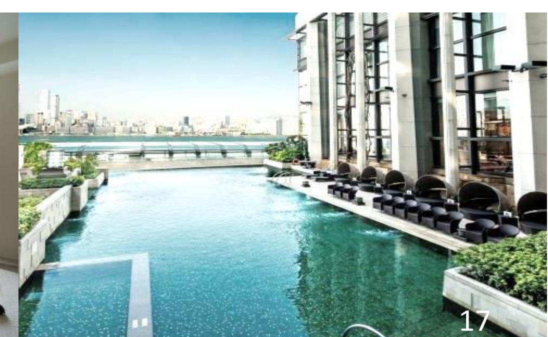
Hotel and Serviced Suite Operation

Mainland contribution affected by Covid restrictions

HK$ Million	Profit Contribution	
	2022	2021
Hong Kong	**764**	482
The Mainland	**(197)**	(83)
Total	**567**	399







Hotel and Serviced Suite Operation

58% Average hotel room occupancy rate

90% Average serviced suites occupancy rate

Property and Project Management

Stars by the Harbour, Hong Kong

Property and Project Management

HK$ Million	2022	2021	Change
Revenue	**896**	888	+1%
Profit contribution	**362**	355	+2%
Margin	***40.4%***	*40.0%*	

1881 HERITAGE, Hong Kong

Pub Operation

Pub Operation

GREENE KING
BURY ST EDMUNDS

A leading integrated brewer and pub retailer operating about 2,700 pubs restaurants and hotels across England, Wales and Scotland

Pub Operation

Improved profit contribution post lockdown

	Pub Company HK$ Million	Pub Partners HK$ Million	Brewing & Brands HK$ Million	2022 HK$ Million	2021 HK$ Million	Change
Revenue	**17,274**	**1,661**	**2,004**	**20,939**	14,284	+47%
Profit contribution	**199**	**470**	**166**	**835**	(55)	+1,618%
Margin	***1.2%***	***28.3%***	***8.3%***	***4.0%***	-0.4%	

Note:
(1) Profit Contribution is after a provision of HK$994 million (2021 – HK$144 million) for asset impairment.



Infrastructure and Utility Asset Operation

Infrastructure and Utility Asset Operation

	Principal Activity	Interest in Joint Venture
CK William JV	An owner and operator of energy utility assets in Australia, the United States, Canada and the United Kingdom	40%
CKP (Canada) JV	A building equipment and service provider under the consumer brand identity of “Reliance Home Comfort” in Canada	75%
Sarvana JV	A fully integrated energy management service provider operated by ista Group in Europe	65%
UK Power Networks JV	A power distributor that serves London, the South East and East of England	20%
Northumbrian Water JV	A regulated water and sewerage company in England and Wales	27%
Dutch Enviro Energy JV	An energy-from-waste company in the Netherlands	24%
Wales & West Utilities JV	A gas distributor that serves Wales and the South West of England	22%

Note:
(1) In December 2022, the Group completed the disposal of a 9% equity interest in Northumbrian Water JV and a gain of HK$606 million was recognised on the disposal.

Infrastructure and Utility Asset Operation

Full year contribution from all invested businesses

	Revenue (HK$ Million)	Profit Contribution (HK$ Million)	Margin
CK William JV (DUET Group)	**4,387**	**1,419**	***32.3%***
CKP (Canada) JV (Reliance Group)	**4,481**	**1,408**	***31.4%***
Sarvana JV (ista Group)	**5,606**	**1,179**	***21.0%***
UK Power Networks JV	**3,403**	**2,010**	***59.1%***
Northumbrian Water JV	**3,102**	**619**	***20.0%***
Dutch Enviro Energy JV	**687**	**126**	***18.3%***
Wales & West Utilities JV	**1,223**	**453**	***37.0%***
Others	-	**272**	-
2022 Total	**22,889**	**7,486**	***32.7%***
2021 Total	20,867	6,934	*33.2%*
Change	+10%	+8%	

Interests in Real Estate Investment Trusts

HK$447 million[1] total distribution received

HK$ Million	2022	2021
Share of profit of Hui Xian REIT	178	288
Cash distributions received from Fortune REIT and Prosperity REIT	273	310
	451	598

	Hui Xian REIT	Fortune REIT	Prosperity REIT
Interest as of 31 Dec 2022	33.5%	26.5%	18.2%
Asset under management (Million sq.ft.)	11.8 [2]	3.0 [2]	1.3 [2]

Note:
(1) HK$174 million of distribution was received from Hui Xian REIT. Cash distributions received from Fortune REIT and Prosperity REIT totaled HK$273 million.
(2) Based on latest public announcements.
(3) Fair value change was recorded under "Change in fair values: real estate investment trusts".

Aircraft Leasing

In April 2022, the Group completed the disposal of its aircraft leasing division. A post-tax profit of HK$2,056 million was recognised, including a gain of HK$1,468 million on the disposal of aircraft assets.

Gearing and Maturity Profile

Bank and other borrowings with maturities	HK$ Billion
Within one year	2.5
Within two to five years	36.9
Beyond five years	9.2
Total	**48.6**
Bank balances and deposits	**61.2**
Net Cash	**12.6**

Corporate Ratings:
Moody's: A2 (Stable)
S&P: A (Stable)

Landbank Summary

Total landbank of 128 million sq.ft.

	Hong Kong Million sq.ft.	The Mainland Million sq.ft.	Overseas Million sq.ft.	Total[(1)(2)] Million sq.ft.
Properties under Development	7	64	4	75
Investment Properties	13	2	2	17
Hotels and Serviced Suites	8	1	-	9
Pub Properties	-	-	27	27
Total	28	67	33	128

Note:

(1) Excludes a total of approximately 16.1 million sq.ft. assets under management by Hui Xian REIT, Fortune REIT and Prosperity REIT based on latest public announcements.

(2) Total landbank excludes agricultural land and projects under planning but includes developers' interests in joint development projects.

Landbank Summary

Major Property Acquisitions in Hong Kong

Date	Project Location	Approximate Developable Gross Floor Area (sq.ft.)	Group's Interest
March 2022	Combined development of projects located at Hung Fook Street, Kai Ming Street and Wing Kwong Street, To Kwa Wan	526,807	100%
October 2022	Site at Tuen Mun Town Lot No. 561 at Castle Peak Road – Tai Lam, Tuen Mun	1,306,380	100%
December 2022	Development project at Queen's Road West/In Ku Lane, Sai Ying Pun	128,230	100%
December 2022	Site at New Kowloon Inland Lot No. 6649, Kai Tak Area 2A Site 4, Site 5(B) and Site 10, Kai Tak	1,417,950	100%

ESG – Sustainability Highlights

Climate Change Target Setting

- In 2022, the Group achieved a 16% absolute reduction in greenhouse gas emissions, against 2019/2020. **The group-level environmental targets to reach by 2030 are to reduce electricity consumption by 11%, water consumption by 5%, waste by 11% and carbon emissions by 9%.**

Green Buildings

- 40 buildings in our Group have obtained green building certificates.
- Adoption of advanced sustainability technology in new buildings e.g Cheung Kong Center II (CKC II) office complex

Governance and Reporting Enhancement

- Improved board diversity and addition of member to the Group's Sustainability Committee
- The Group has started reporting against the TCFD framework, which provides decision-useful climate-related financial information to its stakeholders.

Social Housing & Affordable Property

- The Group has invested in high quality social and care-based community housing, primarily in the UK. The group has also participated in Hong Kong's Starter Homes Pilot Project to sell certain units in the development to first-time home buyers at a discount to market value.

ESG – Business Unit Highlights

Property Development

Upcoming and completed property development projects to receive BEAM Plus green building certificates:

- *Platinum* - City Point & Trinity Towers
- *Gold* – Wong Chuk Hang Station Package 3, Sea to Sky, Seaside Sonata

Hotel and Serviced Suite Operation

Reduction in the use of disposable items – providing paper shopping bags only upon request, bathroom liquid amenities in large pump bottles, using biodegradable materials for takeaway food containers, packaging and laundry and garbage bags.

Property Management

29 existing managed properties received "Good" or "Excellent ratings under BEAM Plus Existing Building Version 2.0 Selective Scheme.

Solar panels installed at the rooftop of Laguna City & Plaza reduce 242,838 kg of CO2 emissions.

Pub Operation

In 2022, Greene King has pledged to be carbon net zero by 2040. As part of the near-term Science Based Target, they have committed to reduce greenhouse gas emissions by 50% by 2030 and procure 80% renewable energy by 2025.

Infrastructure

Northumbrian Water, UK Power Network, ista and Dutch Enviro Energy have all taken decarbonisation and initiatives, some committing to a net zero target ahead of that committed by the relevant government authority.

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Thank you