



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 Interim Results

4 August 2022



Disclaimer



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The performance and the results of operations of the Group contained within this Presentation are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained within this Presentation are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this Presentation; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

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

2022 Interim Results Highlights

HK\$12,936 million of reported profit



HK\$ Million	2022	2021	Change
Revenue	47,620	33,063	+44%
Profit attributable to shareholders	12,936	8,355	+55%
<i>Earnings per share (HK\$ / share)</i>	3.55	2.25	+58%

Note:

(1) Earnings per share is based on the weighted average of 3,642,739,678 shares in issue during the period.

2022 Interim Results Highlights

4.9% increase in DPS



Dividend per share

HK\$0.43

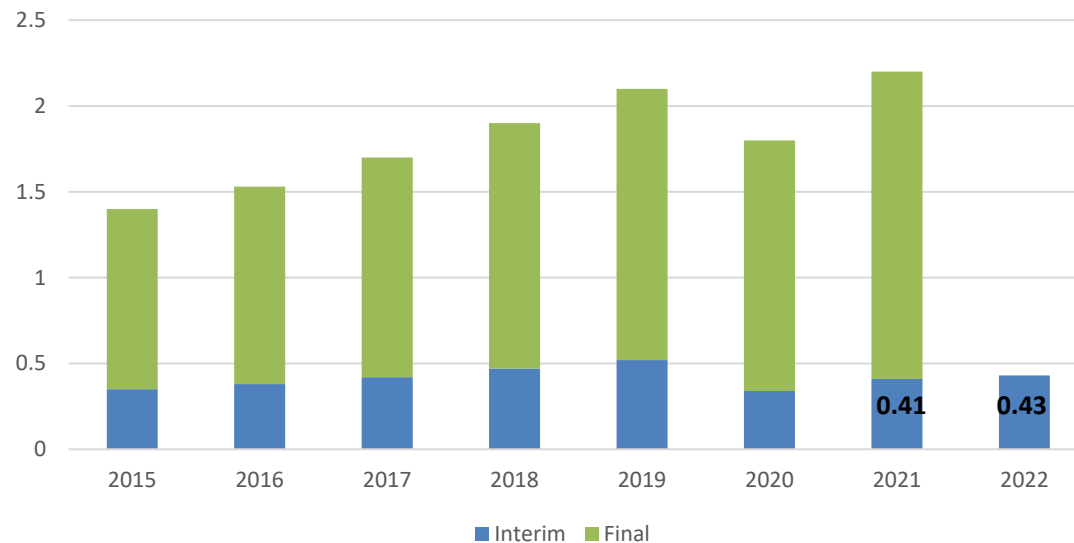
+4.9%

**Net book value
per share ⁽¹⁾**

HK\$103.21

+1.3%

DPS (HK\$ / share)



Note:

(1) Based on 3,643,583,833 shares in issue on 30 June 2022.

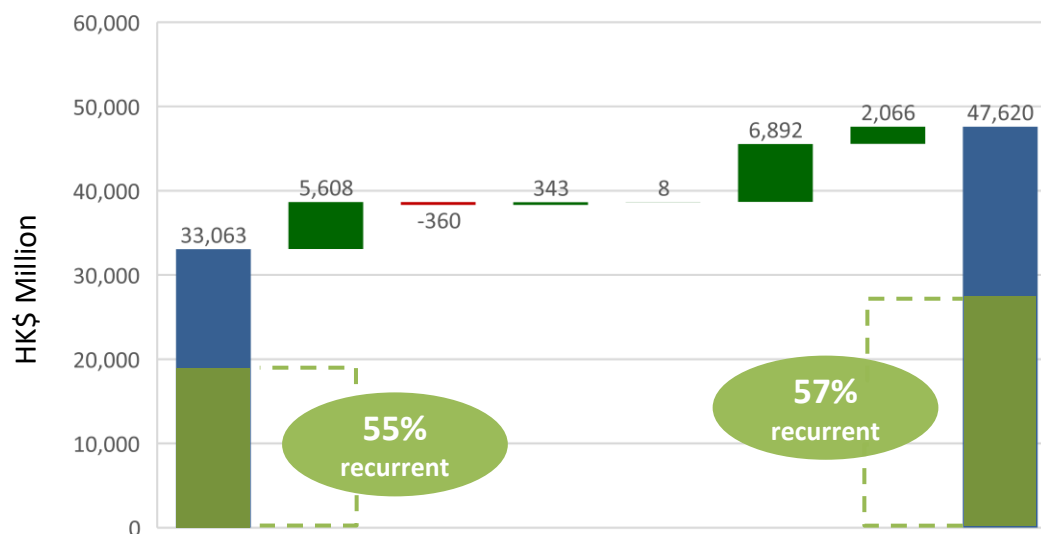
Principal Activities Analysis

50% of our profit contribution is recurrent in nature



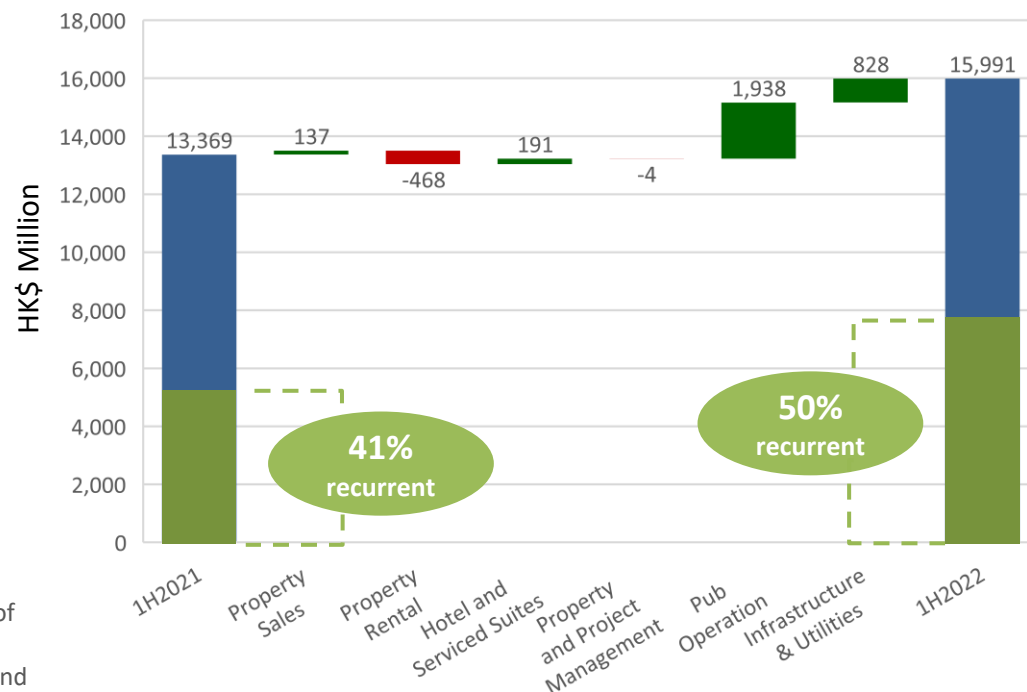
Revenue by Principal Activities

Recurrent Revenue	
1H2021	1H2022
HK\$18,274M	HK\$27,223M



Profit Contribution by Principal Activities

Recurrent Profit Contribution	
1H2021	1H2022
HK\$5,452M	HK\$7,937M

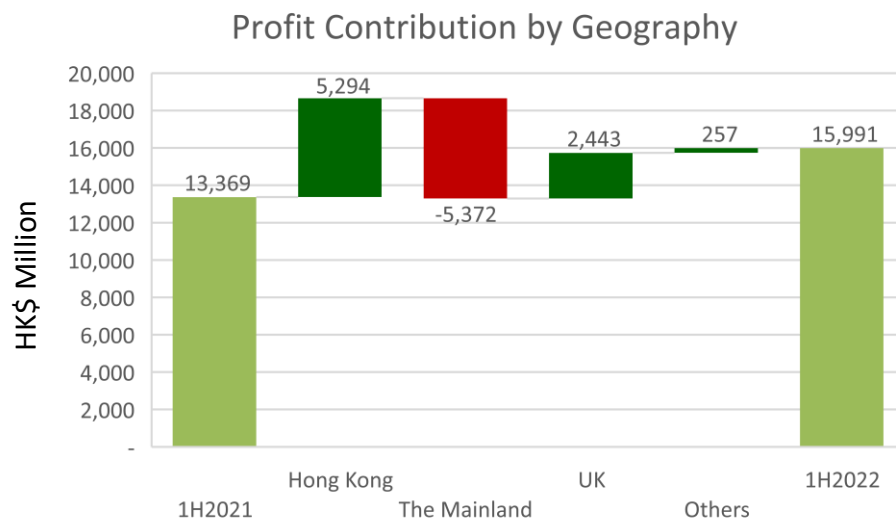


Note:

- (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 revenue and contribution from aircraft leasing and surplus on disposal of investment properties.

2022 Interim Results Highlights

50% contribution from HK, 17% from the Mainland, 33% from UK and Others



HK\$ Million	2022
	Profit Contribution
Hong Kong	7,946
The Mainland	2,708
UK	2,807
Others	2,530
Total	15,991

Note:

- (1) Profit Contribution refers to contribution from principal activities after depreciation, absorption of overhead expenses and exceptions including provisions and impairment, but before interest costs and tax.
- (2) Excludes contribution from aircraft leasing and surplus on disposal of investment properties.

Property Sales



Property Sales



HK\$ Million	2022	2021	Change
Revenue	20,397	14,789	+38%
Profit contribution	8,054	7,917	+2%
Margin	39.5%	53.5%	



Property Sales

Healthy margins across markets



HK\$ Million	Revenue		Profit Contribution & Margin			
	2022	2021	2022		2021	
Hong Kong	12,748	609	5,422	42.5%	112	18.4%
The Mainland	7,436	14,036	2,563	34.5%	7,787	55.5%
Overseas	213	144	69	32.4%	18	12.5%



HK\$13,877M contracted sales not yet recognized

- About HK\$5,579 million scheduled for recognition in 2H 2022



Hong Kong
HK\$8,339M



The Mainland
HK\$4,579M



Overseas
HK\$959M

A low-angle photograph of two prominent skyscrapers against a bright blue sky with scattered white clouds. The building on the left is the Bank of China Tower, characterized by its distinctive white structural framework and glass facade. The building on the right is a tall, rectangular skyscraper with a uniform glass curtain wall. The perspective makes the buildings appear to converge towards the top of the frame.

Property Rental

Property Rental

Healthy overall margin

HK\$ Million	2022	2021	Change
Revenue	2,993	3,353	-11%
Profit contribution	2,426	2,894	-16%
Margin	81.0%	86.3%	

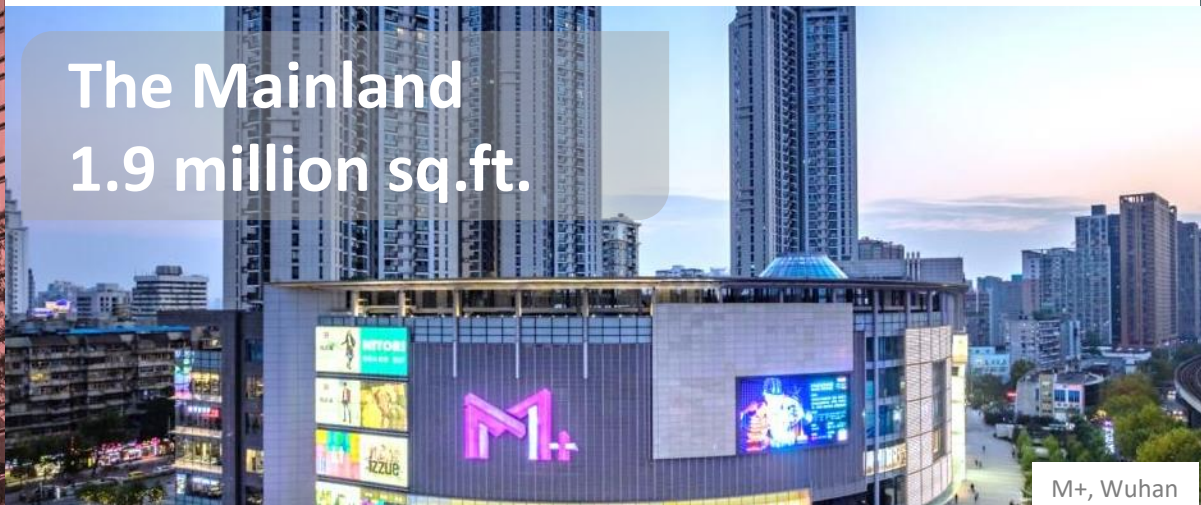
A surplus of HK\$738 million was recognized for the disposal of 5 Broadgate in March 2022 under “Surplus on disposal of investment properties”





Hong Kong
13.0 million sq.ft.

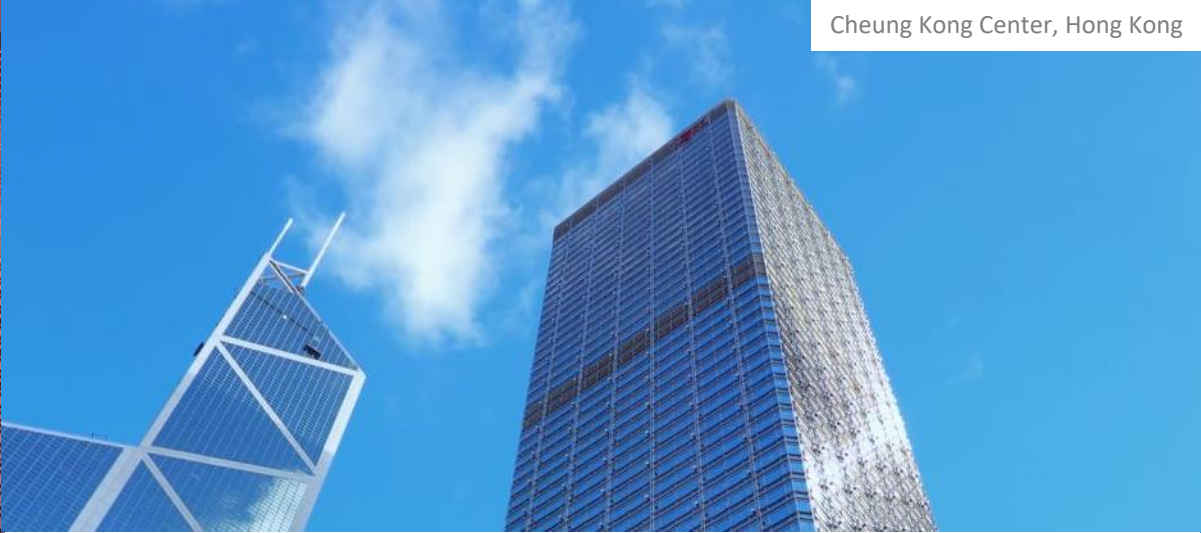
16.6 million sq.ft. of investment properties



The Mainland
1.9 million sq.ft.



Overseas
1.7 million sq.ft.



Decrease in fair value of investment properties of HK\$659 million



4% - 8% cap rate



Hotel and Serviced Suite Operation

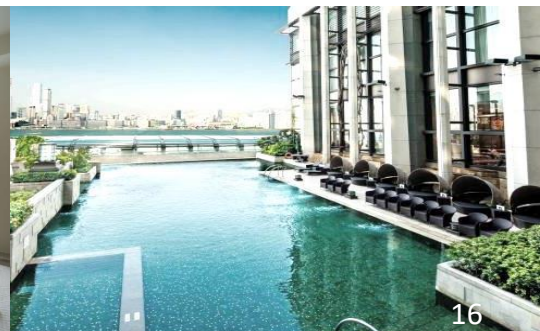
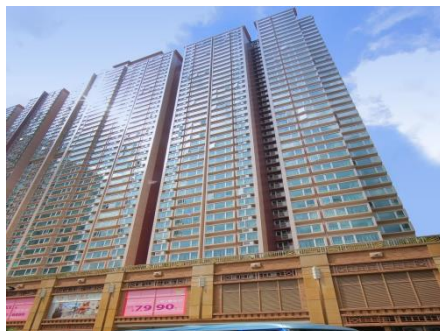


Hotel and Serviced Suite Operation

Improved contribution with higher hotel room occupancy



HK\$ Million	2022	2021	Change
Revenue	1,533	1,190	+29%
Profit contribution	315	124	+154%
Margin	20.5%	10.4%	



Hotel and Serviced Suite Operation

Mainland contribution still affected by Covid restrictions



HK\$ Million	Profit Contribution	
	2022	2021
Hong Kong	392	162
The Mainland	(77)	(38)
Total	315	124



Hotel and Serviced Suite Operation

65% Average hotel room occupancy rate

88% Average serviced suites occupancy rate



Property and Project Management



HK\$ Million	2022	2021	Change
Revenue	440	432	+2%
Profit contribution	182	186	-2%
Margin	41.4%	43.1%	



1881 HERITAGE, Hong Kong



Pub Operation



Pub Operation



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



Pub Operation



Improved contribution with lifting of Covid restrictions

	Pub Company HK\$ Million	Pub Partners HK\$ Million	Brewing & Brands HK\$ Million	1H 2022 HK\$ Million	1H 2021 HK\$ Million	Change
Revenue	8,681	846	1,000	10,527	3,635	+190%
Profit contribution	478	226	162	866	(1,072)	+181%
Margin	5.5%	26.7%	16.2%	8.2%	-29.5%	





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	36%
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%

Infrastructure and Utility Asset Operation

Significant increase in income from infrastructure and utility assets



	Revenue (HK\$ Million)	Profit Contribution (HK\$ Million)	Margin
CK William JV (DUET Group)	2,185	804	36.8%
CKP (Canada) JV (Reliance Group)	2,243	700	31.2%
Sarvana JV (ista Group)	3,006	830	27.6%
UK Power Networks JV	1,760	1,039	59.0%
Northumbrian Water JV	1,609	362	22.5%
Dutch Enviro Energy JV	354	64	18.1%
Wales & West Utilities JV	573	197	34.4%
Others	-	152	-
1H 2022	11,730	4,148	35.4%
1H 2021	9,664	3,320	34.4%
<i>Change</i>	<i>+21%</i>	<i>+25%</i>	

Interests in Real Estate Investment Trusts

HK\$188 million⁽¹⁾ total distribution received



HK\$ Million	2022	2021
Share of profit of Hui Xian REIT	113	153
Cash distributions received from Fortune REIT and Prosperity REIT	128	154
	241	307

	Hui Xian REIT	Fortune REIT	Prosperity REIT
Interest as of 30 June 2022	33.1%	26.6%	18.4%
Asset under management (Million sq.ft.)	11.8 ⁽²⁾	3.0 ⁽²⁾	1.3 ⁽²⁾

Note:

(1) HK\$60 million of distribution was received from Hui Xian REIT. Cash distributions received from Fortune REIT and Prosperity REIT totaled HK\$128 million.

(2) Based on latest public announcements.

(3) Fair value change was recorded under "Change in fair values: real estate investment trusts".

In April 2022, the Group completed the disposal of its investment in aircraft assets and discontinued the operation of aircraft leasing business. A post-tax profit of HK\$2,005 million was recognised, including a gain of HK\$1,417 million on the disposal of aircraft assets.



Gearing and Maturity Profile



Bank and other borrowings with maturities	HK\$ Billion
Within one year	5.2
Within two to five years	28.0
Beyond five years	12.7
Total	45.9
Bank balances and deposits	59.8
Net Cash	13.9

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	5	67	4	76
Investment Properties	13	2	2	17
Hotels and Serviced Suites	8	1	-	9
Pub Properties	-	-	26	26
Total	26	70	32	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 Acquisition 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%



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Thank you

