



長江實業地產有限公司

CHEUNG KONG PROPERTY HOLDINGS LIMITED

(A limited liability Cayman Islands company registered and listed in Hong Kong) (於香港註冊及上市之開曼群島有限公司)

2015 Annual Results
17 March 2016



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

2015 Annual Results Highlights



- 2015 figures include results of the property portfolio previously held by Cheung Kong Group for the full year and results of the property portfolio previously held by Hutchison Group for the period from 3 June 2015 to the period end date
- 2014 figures include results of the property portfolio previously held by Cheung Kong Group for the full year

HK\$ Million	2015	2014
Turnover	58,793	32,227
Profit before investment property revaluation	15,568	12,051
Investment property revaluation (net of tax)	1,545	5,017
Profit attributable to shareholders	17,113	17,068

Earnings per share

HK\$ 4.43 / share

**Net asset value
per share**

HK\$ 68.17 / share

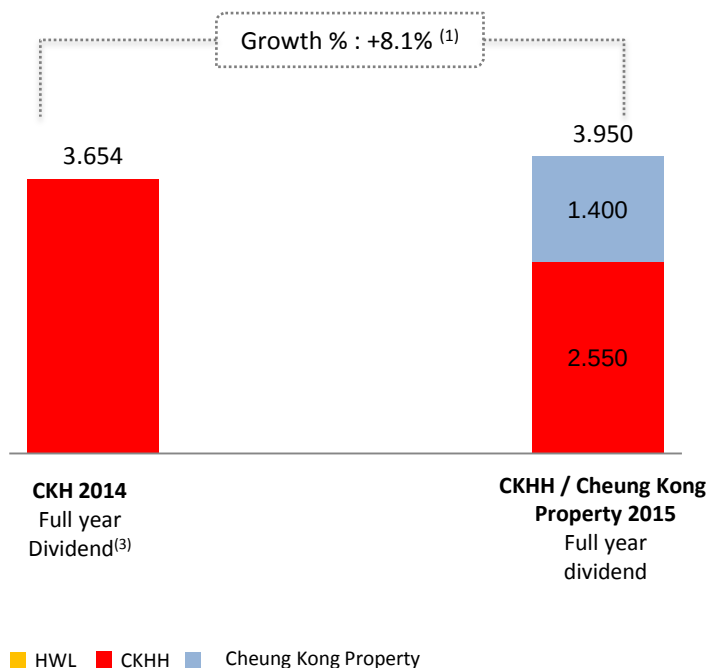
Dividend per share

Interim: HK\$ 0.35 / share
Final: HK\$ 1.05 / share
Full year: HK\$ 1.40 / share

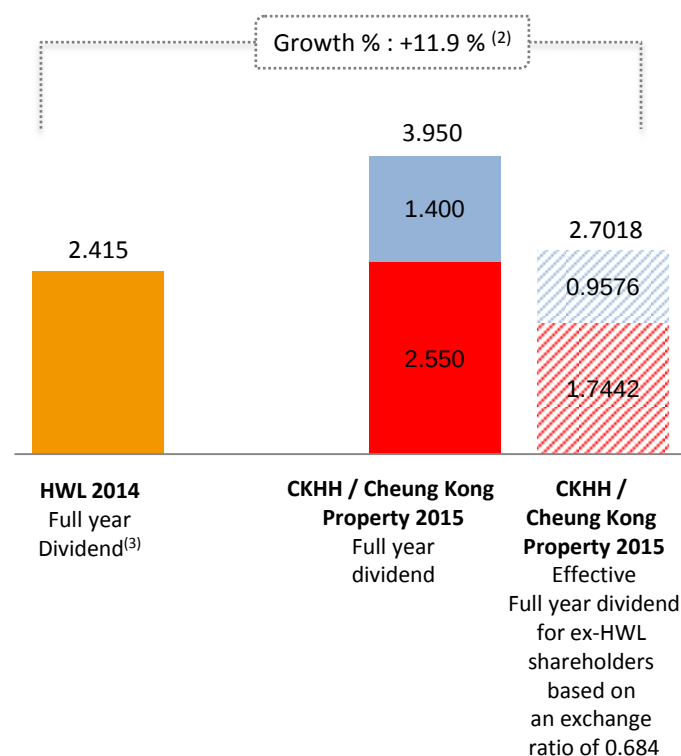
CKHH / Cheung Kong Property Full Year Dividend



Ex-CKH Shareholders



Ex-HWL Shareholders



Note (1): Growth % represents % increase in full year dividend per share assuming CKHH shareholders hold both their existing CKHH shares and the Cheung Kong Property shares received through the Reorganisation on the shareholders full year dividend entitlement record date for both companies.

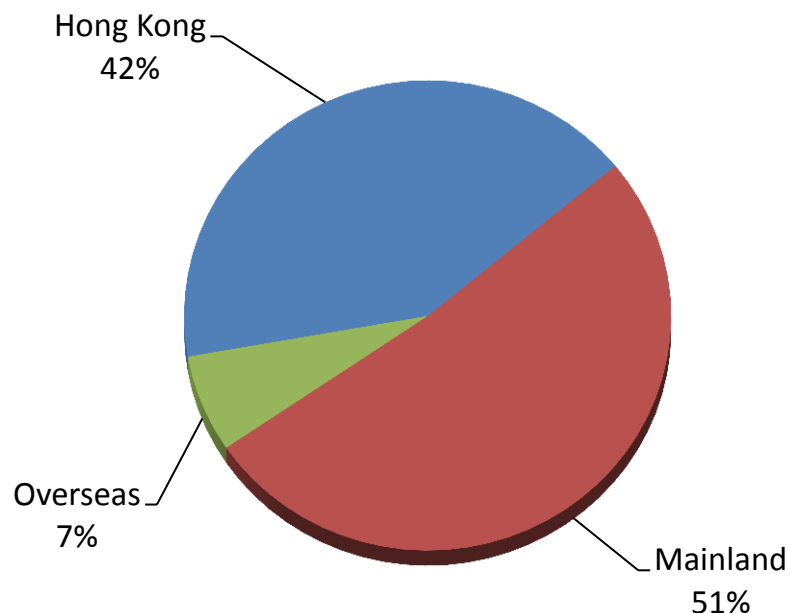
Note (2): Growth % represents % increase in full year dividend per share assuming ex-HWL shareholders hold both CKHH and Cheung Kong Property shares received through the Reorganisation on the shareholder's full year dividend entitlement record date for both companies.

Note (3): Exclude special dividend of HK\$7.00 per share in 2014.

2015 Annual Results Highlights

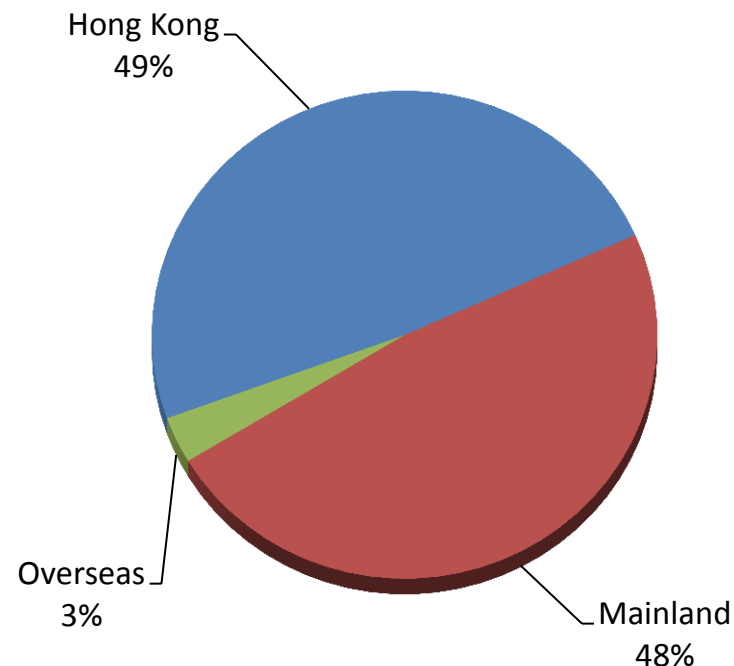


Turnover by Geography



Total Turnover = HK\$ 58,793 million

Profit Contribution by Geography



Profit Contribution⁽¹⁾ = HK\$ 21,571 million

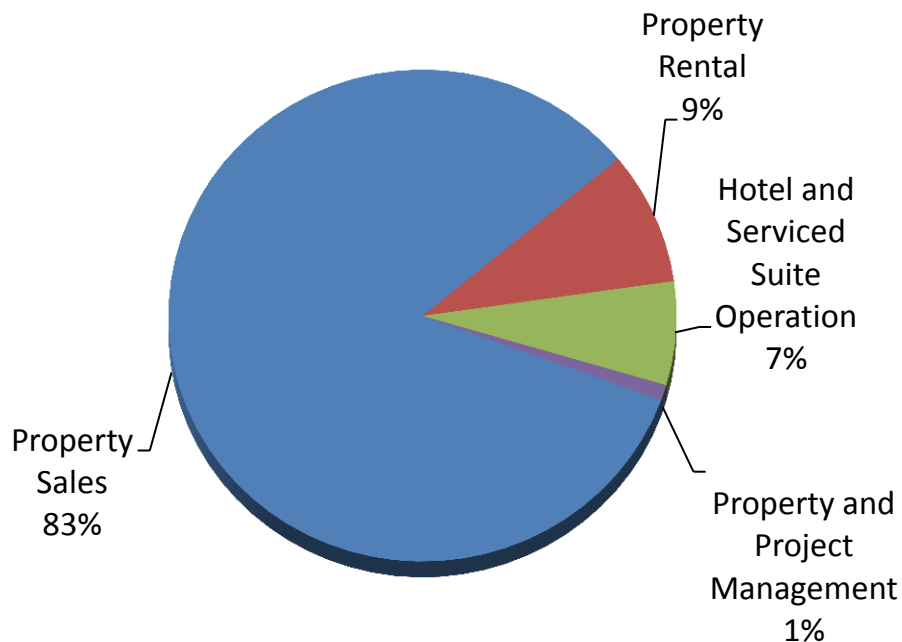
Note:

(1) Profit contribution refers to pre-tax contribution from operating activities after allocation of overhead expenses and before interest costs, fair value adjustments, other income and expenses not directly attributable to the operating activities.

2015 Annual Results Highlights

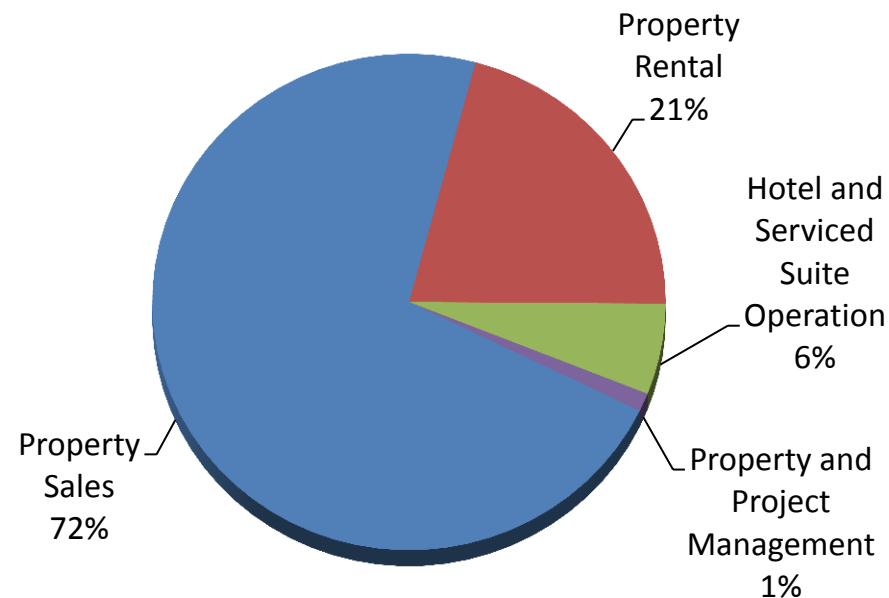


Turnover by Business Segment



Total Turnover = HK\$ 58,793 million

Profit Contribution by Business Segment



Profit Contribution⁽¹⁾ = HK\$ 21,571 million

Note:

(1) Profit contribution refers to pre-tax contribution from operating activities after allocation of overhead expenses and before interest costs, fair value adjustments, other income and expenses not directly attributable to the operating activities.

Profit Contribution by Operating Activities



	<u>2015</u>	<u>2014</u>	Change
	HK\$M	HK\$M	%
Property sales* <i>(HK\$ 16,888 million if disposal of Chongqing Metropolitan Plaza was included)</i>	15,522	8,501	↑ 83%
Property rental	4,513	2,069	↑ 118%
Hotel and serviced suite operation	1,279	1,227	↑ 4%
Property and project management	257	215	↑ 20%
	<u>21,571</u>	<u>12,012</u>	↑ 80%
Interests in Real-Estate Investment Trusts	500	537	↓ -7%
	<u>22,071</u>	<u>12,549</u>	↑ 76%
Interest and other finance costs	(549)	(815)	
Increase in fair value of investment properties			
Group	1,408	4,542	
Joint ventures	16	510	
Profit on disposal of joint ventures *	1,366	2,349	
Others	43	529	
Taxation			
Company and subsidiaries	(6,305)	(1,624)	
Joint ventures	(142)	(724)	
Profit attributable to non-controlling interests	<u>(795)</u>	<u>(248)</u>	
Profit attributable to shareholders	17,113	17,068	-

Note:

(1) Profit contribution refers to pre-tax contribution from operating activities after allocation of overhead expenses and before interest costs, fair value adjustments, other income and expenses not directly attributable to the operating activities.

Property Sales



HK\$ Million	2015	2014
Turnover	49,059⁽¹⁾	26,348
Profit Contribution⁽²⁾	15,522⁽¹⁾	8,501
<i>Margin</i>	<i>31.6%</i>	<i>32.3%</i>

Turnover and Profit Contribution by Geography

HK\$ Million	Turnover		Profit Contribution ⁽²⁾			
	2015	2014	2015		2014	
Hong Kong	15,924	19,407	4,769	29.9%	6,709	34.6%
Mainland	29,405	5,731	10,093	34.3%	1,401	24.4%
Overseas	3,730	1,210	660	17.7%	391	32.3%
TOTAL	49,059	26,348	15,522	31.6%	8,501	32.3%

Note:

(1) Does not include disposal profit of HK\$ 1,366 million derived from the sale of the Group's interest in Metropolitan Plaza in Chongqing.

(2) Profit contribution refers to pre-tax contribution from the property sales division after allocation of overhead expenses.

Major Contributors to Turnover and Profit in 2015

Project		
Hong Kong: - City Point - Hemera - Mont Vert Phases I & II - DIVA - Stars by the Harbour	Mainland: - Upper West Shanghai Phase 1B - Hupan Mingdi Land No. 911 North (Shanghai) - La Grande Ville Phase 3 (Beijing) - Emerald City Phases 1B and 1C (Nanjing) - Millennium Waterfront Phase 1B (Wuhan) - Regency Hills Land No. 1 (Chongqing) - Le Parc Phases 3, 4, 5A and 5B (Chengdu) - The Harbourfront Land Nos. 2,3,4 and 6 (Qingdao)	Singapore: Thomson Grand

- Property sales contribution for 2016 will mainly be derived from the sale of residential units of **Stars by the Harbour, The Beaumont II, Yuccie Square and The Zumurud in Hong Kong, La Grande Ville Phase 4 in Beijing, Emerald City Phases 1 and 2 in Nanjing, Millennium Waterfront Phases 1 and 2 and The Metropolitan Phase 1 in Wuhan** and a few others scheduled for completion. The sale and purchase of a commercial property developed by the Group at Heung Yip Road in Hong Kong will be completed in 2016 and make a contribution to group profit.

Property Sales – Contracted Sales Not Yet Recognised



Analysis of Contracted Sales as of 31 December 2015

HK\$ Million	Total Contracted Sales Amount
Hong Kong	15,768
Mainland	6,866
United Kingdom	839
TOTAL	23,473

HK\$ Million	2015	2014
Turnover	5,138	2,331
Profit Contribution ⁽¹⁾	4,513	2,069
Margin	87.8%	88.8%

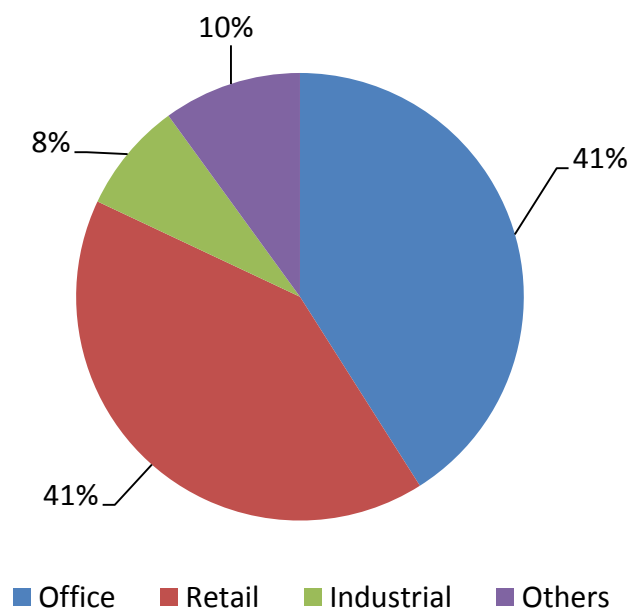
Profit Contribution by Geography

HK\$ Million	Profit Contribution ⁽¹⁾	
	2015	2014
Hong Kong	4,195	1,835
Mainland	272	225
Overseas	46	9
TOTAL	4,513	2,069

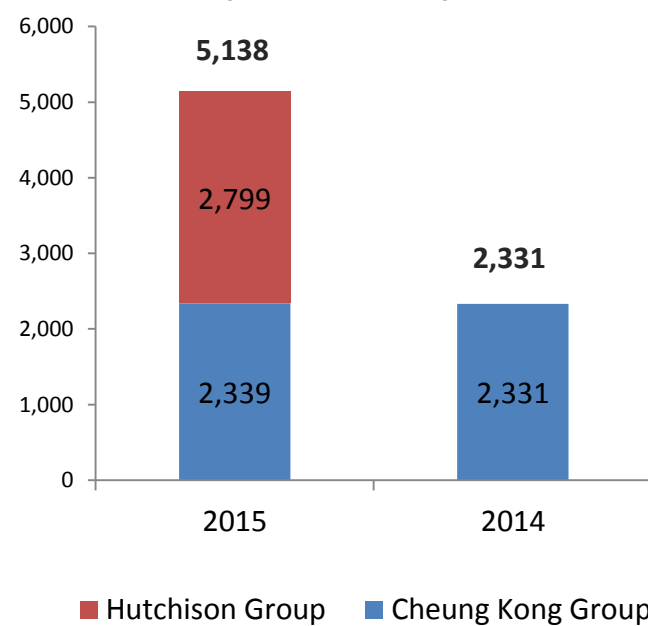
Note:

(1) Profit contribution refers to pre-tax contribution from the property rental division after allocation of overhead expenses.

Turnover by Type of Property



Turnover by Property Portfolio
(HK\$ Million)



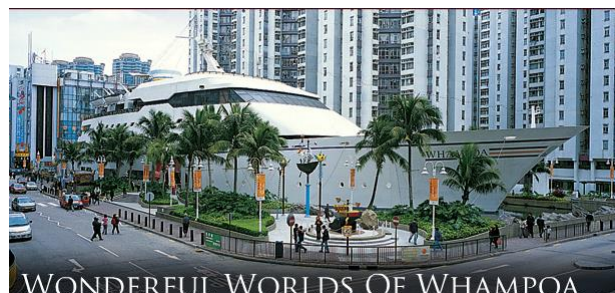
Property Rental



- Increase in fair value of HK\$ 1,408 million from investment properties held by subsidiaries and HK\$ 16 million from investment properties held by joint-ventures

Investment Property Portfolio by Type

	Hong Kong	Mainland	Total	Cap rate used
	Million sq.m.	Million sq.m.	Million sq.m.	
Office	0.4	0.1	0.5	4% - 8%
Retail	0.3	0.1	0.4	
Industrial	0.6	-	0.6	
TOTAL	1.3	0.2	1.5	



Hotel and Serviced Suite Operation



- The Group's hotel and serviced suite portfolio comprises 15 hotels and serviced suites in Hong Kong, 4 hotels on the Mainland, 1 hotel in The Bahamas and a total of over 16,000 rooms.
- The annualised yield of the Group's hotel and serviced-suite operation on the total carrying value at the year end date was 16.2%.

HK\$ Million	2015	2014
Turnover	4,005	2,895
Profit Contribution ⁽¹⁾	1,279	1,227
Margin	31.9%	42.4%

Note:

- (1) Profit contribution refers to pre-tax contribution from the hotel and serviced suite division after depreciation charge on land and buildings and furniture, fixtures and equipment and allocation of overhead expenses.

Hotel and Serviced Suite Operation



Profit Contribution by Geography

HK\$ Million	Profit Contribution ⁽¹⁾	
	2015	2014
Hong Kong	1,387	1,240
Mainland	(27)	(13)
Overseas	(81)	-
TOTAL	1,279	1,227

Average Room Rates and Average Occupancy

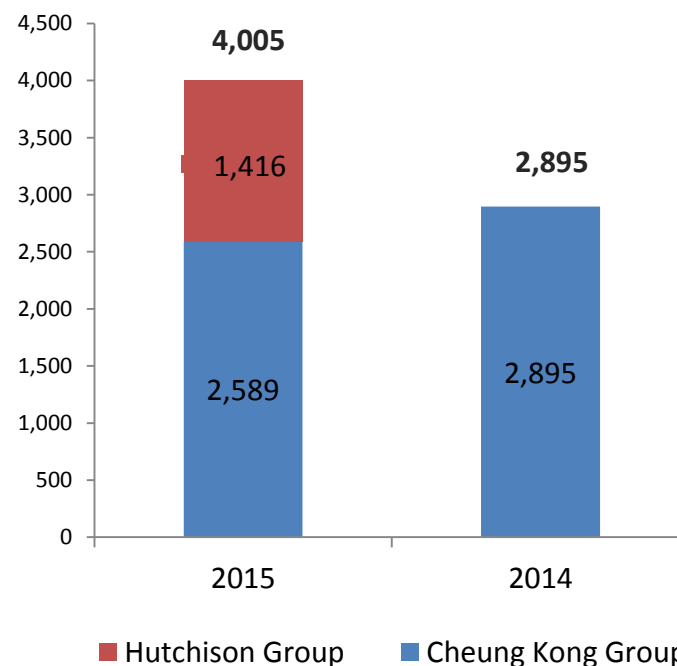
	Average Room Rates ⁽²⁾	Average Occupancy
Hong Kong	HK\$ 831	88.2%
Mainland	HK\$ 650	61.2%
The Bahamas	HK\$ 769	56.5%

Note:

(1) Profit contribution refers to pre-tax contribution from the hotel and serviced suite division after depreciation charge on land and buildings and furniture, fixtures and equipment and allocation of overhead expenses.

(2) Average Room Rates = Total Room Revenue / Weighted Average Number of Occupied Rooms

Turnover by Hotel and Serviced Suite Portfolio (HK\$ Million)



Property and Project Management



- 22 million sq.m. of total floor area of properties being managed by the Group

HK\$ Million	2015	2014
Turnover	591⁽²⁾	653
Profit Contribution⁽¹⁾	257⁽²⁾	215
<i>Margin</i>	<i>43.5%</i>	<i>32.9%</i>

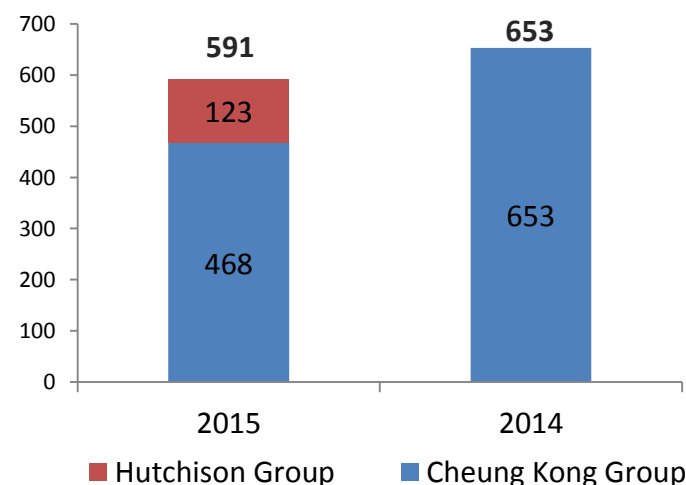
Profit Contribution by Geography

HK\$ Million	Profit Contribution ⁽¹⁾	
	2015	2014
Hong Kong	185	165
Mainland	30	14
Overseas	42	36
TOTAL	257	215

Note:

- (1) Profit contribution refers to pre-tax contribution from the property and project management division after allocation of overhead expenses.
- (2) Management fee received from subsidiaries which were previously joint ventures between Cheung Kong Group and Hutchison Group prior to 3 June 2015 would not be recognised as revenue and management costs would be accounted for as project costs, hence resulting in a decrease in revenue and an improved contribution margin for property and project management.

Turnover by Property and Projects Managed (HK\$ Million)



Interests in Real Estate Investment Trusts

- Contribution to profit for the period by the Group's interest in REITs amounted to HK\$ 500 million comprising:
 - HK\$ 287 million cash distribution received by Cheung Kong Group before 3 June 2015
 - HK\$ 146 million cash distribution received by the Group from Fortune REIT and Prosperity REIT after 3 June 2015
 - HK\$ 67 million share of profit of Hui Xian REIT which has been accounted for as an associate effective from 3 June 2015

	Principal Activities	Effective Interests
Hui Xian REIT	Investment in office, retail properties, hotels and serviced suites on the Mainland	32.4%
Fortune REIT	Investment in retail properties in Hong Kong	27.9%
Prosperity REIT	Investment in office, retail and industrial properties in Hong Kong	19.2%

Gearing and Maturity Profile



Bank Borrowings	HK\$ 61.0 billion
Bank Balances and Deposits	HK\$ 45.9 billion
Net Debt	HK\$ 15.1 billion
Shareholders' Funds	HK\$ 263.1 billion
Total Equity	HK\$ 269.7 billion
Net Total Capital	HK\$ 284.8 billion
EBITDA	HK\$ 23,988 million
Interest and other finance costs	HK\$ 1,387 million

Key Ratios	
Net Debt to Shareholders' Funds	5.7%
Net Debt to Total Equity	5.6%
Net Debt to Net Total Capital	5.3%
Debt / EBITDA	2.5 x
EBITDA Interest coverage	17.3 x

Gearing and Maturity Profile



- The Group monitors its liquidity requirements on a short to medium term basis and arranges bank and other borrowings accordingly. With plenty of cash on hand as well as available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

HK\$ Billion	Bank Borrowings
Within one year	5.8
Within two to five years	51.7
Beyond five years	3.5
TOTAL	61.0

- The current corporate ratings that have been assigned to Cheung Kong Property Holdings Limited are as follows:

	Type	Ratings ⁽¹⁾	Outlook
S&P	Long-term issuer credit rating	A-	Stable
Moody's	Issuer rating	A3	Stable
Fitch	Senior unsecured Rating	A-	Stable

Note:

(1) The above assigned ratings are based on 2014 Pro-forma results.

Landbank Summary



- Total development landbank of 13.6 million sq.m. across Hong Kong, Mainland, and overseas
- New acquisitions in 2015:
 - October 2015: won public tender exercise for the joint development with MTR Corporation Limited in respect of the development at Site H of the Remaining Portion of Tseung Kwan O Town Lot No. 70 (Site area: approximately 16,638 sq.m.; developable gross floor area: approximately 97,000 sq.m.)

Development Landbank⁽¹⁾ by Geography

	Development Landbank (Million sq.m.)
Hong Kong	0.7
Mainland	12.5
Overseas	0.4
TOTAL	13.6

Note:

(1) Development landbank excludes agricultural land, project under planning and properties completed but includes developers' interests in joint development projects



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Thank you

