



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 First-Half Interim Results 25 August 2015



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

2015 Interim Results Highlights



- Includes results of the property portfolio previously held by Cheung Kong Group for the full six-month period and results of the property portfolio previously held by Hutchison Group for the period from 3 June 2015 to the period end date

HK\$ Million	2015	2014
Turnover	19,049	15,337
Profit before investment property revaluation	5,536	5,102
Investment property revaluation (net of tax)	1,354	530
Profit attributable to shareholders	6,890	5,632

**Earnings
per share**
HK\$ 1.79/ share

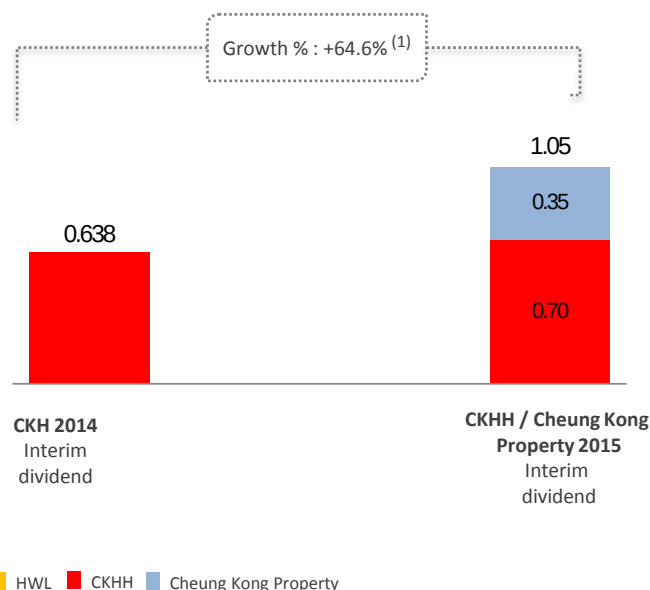
**Net asset value
per share**
HK\$ 66.94 / share

**Dividend
per share**
HK\$ 0.35 / share

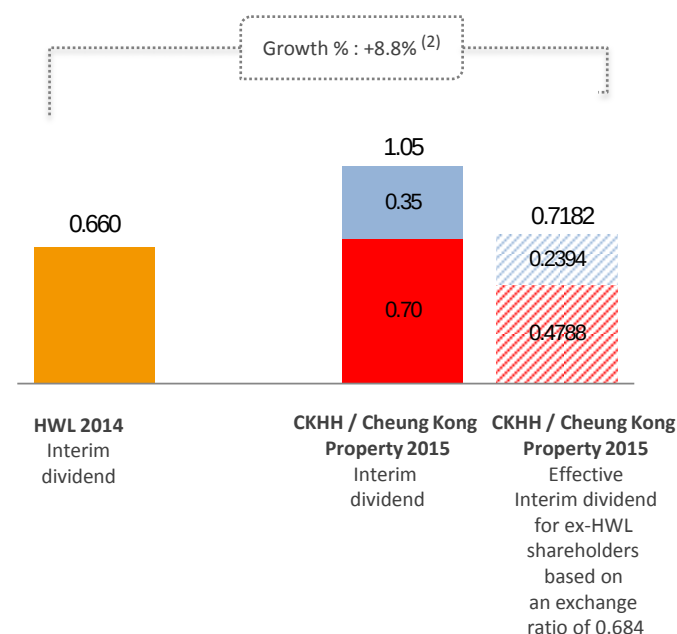
CKHH / Cheung Kong Property Interim Dividend



Ex-CKH Shareholders



Ex-HWL Shareholders



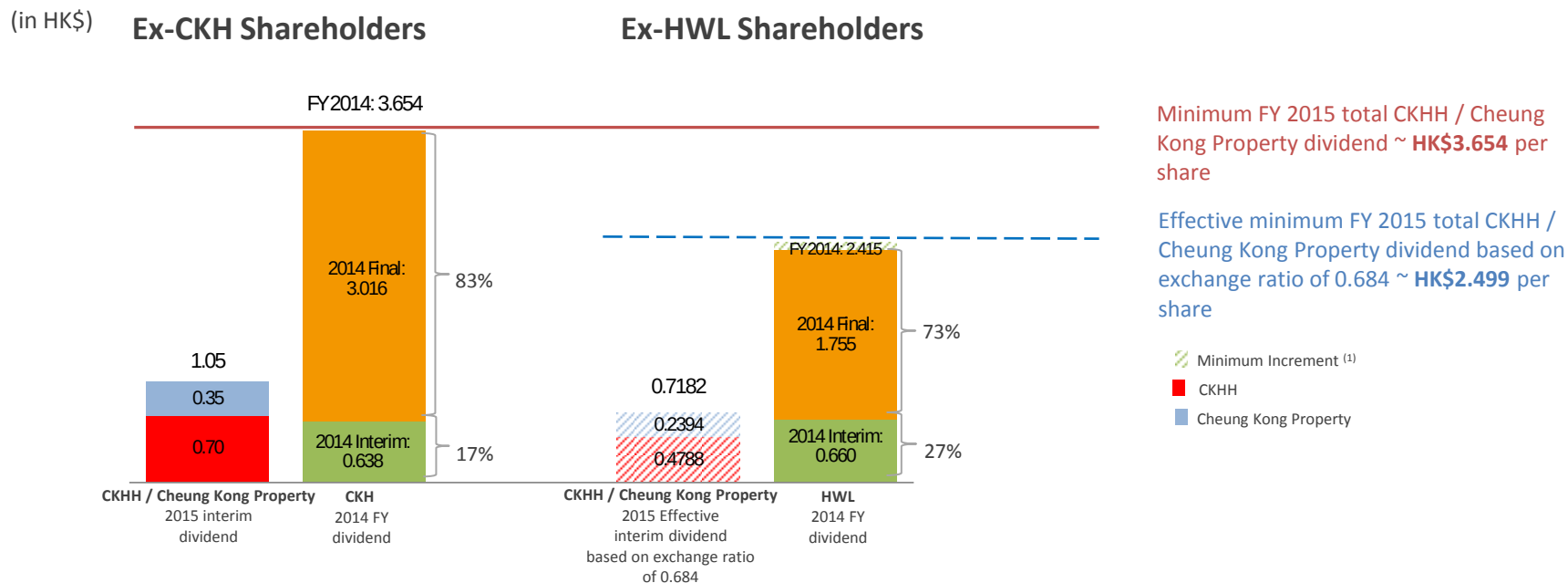
- (1): Growth % represents % increase in interim dividend per share assuming CKHH shareholders hold both their existing CKHH shares and the Cheung Kong Property shares received through the Reorganisation on the shareholders interim dividend entitlement record date for both companies. The CKHH interim dividend was determined with reference to the effective 2015 interim dividend per share to be received by ex-HWL shareholders, to ensure the total 2015 interim dividend per CKHH share plus 2015 interim dividend per Cheung Kong Property share is more than the total 2014 interim dividend per ex-CKH or ex-HWL share, excluding any special dividend paid in that year. As a result, this growth % is not reflective of the growth % for the 2015 full year total dividend per share of CKHH and Cheung Kong Property, however this will be still be more than the 2014 full year dividend per ex-CKH share, subject to the respective business results of CKHH and Cheung Kong Property.
- (2): Growth % represents % increase in interim dividend per share assuming ex-HWL shareholders hold both CKHH and Cheung Kong Property shares received through the Reorganisation on the shareholder's interim dividend entitlement record date for both companies.

CKHH / Cheung Kong Property FY15 Dividend Policy



Subject to respective business results of CKHH and Cheung Kong Property, expected total dividend for 2015 will be more than total dividend for 2014 and the percentage increase will depend on 2015's final dividend

A recap of the 2014 dividends is shown below:



(1) : Minimum increment represents the minimum growth in CKHH / Cheung Kong Property 2015 full year dividend for ex-HWL shareholders in order to ensure the CKHH / Cheung Kong Property 2015 full year dividend received by ex-CKH shareholders in 2015 will be more than the total 2014 full year dividend per ex-CKH shares, subject to respective business results of CKHH and Cheung Kong Property.

- Cheung Kong Property Holdings Limited would like to announce the following corporate ratings assigned by the below rating agencies:

	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

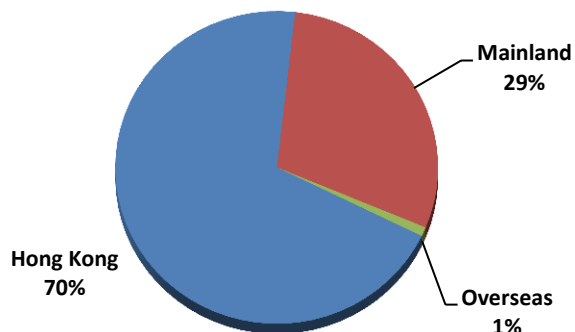
Note:

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

2015 Interim Results Highlights

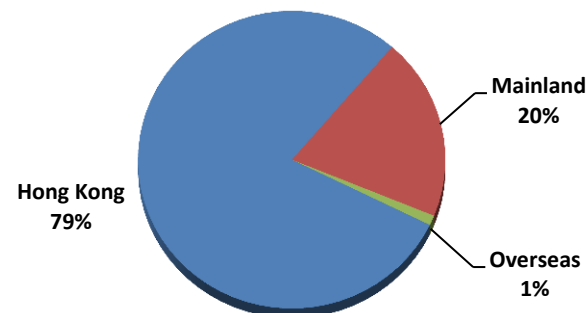


Turnover by Geography



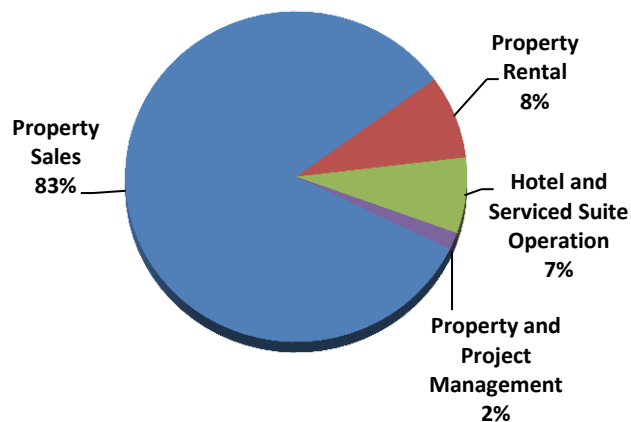
Total Turnover = HK\$ 19,049 million

Profit Contribution by Geography

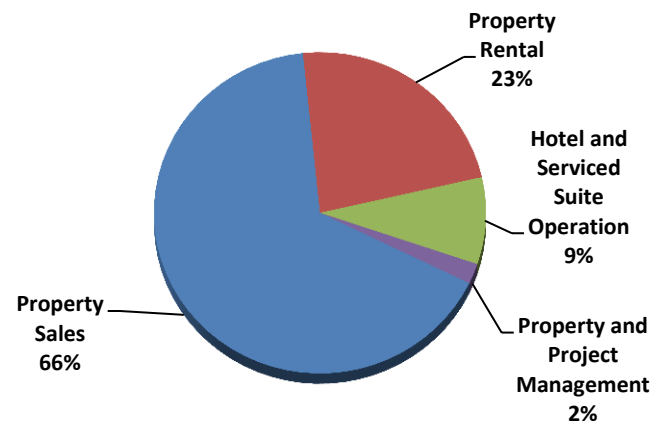


Profit Contribution⁽¹⁾ = HK\$ 5,770 million

Turnover by Business Segment



Profit Contribution by Business Segment



Note:

(1) Profit contribution refers to pre-tax contribution from operating activities after allocation of overhead expenses but excluding interest costs, fair value adjustments, profit attributable to non-controlling interests, 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\$ 5,182 million if disposal of Chongqing Metropolitan Plaza was included)</i>	3,816	4,673	↓ -18%
Property rental	1,331	1,015	↑ 31%
Hotel and serviced suite operation	505	598	↓ -16%
Property and project management	118	99	↑ 19%
	<u>5,770</u>	<u>6,385</u>	↓ -10%
Interests in Real-Estate Investment Trusts	322	257	↑ 25%
	<u>6,092</u>	<u>6,642</u>	↓ -8%
Interest and other finance costs	(252)	(461)	
Increase in fair value of investment properties			
Subsidiaries	1,291	560	
Joint ventures	8	(41)	
Profit on disposal of joint ventures *	1,366	-	
Others	132	(72)	
Taxation			
Company and subsidiaries	(1,253)	(782)	
Joint ventures	(114)	(199)	
Profit attributable to non-controlling interests	<u>(380)</u>	<u>(15)</u>	
Profit attributable to shareholder	<u>6,890</u>	<u>5,632</u>	↑ 22%

Note:

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

Property Sales



HK\$ Million	2015	2014
Turnover	15,765 ⁽¹⁾	12,520
Profit Contribution ⁽²⁾	3,816 ⁽¹⁾	4,673
Margin	24.2%	37.3%

Turnover and Profit Contribution by Geography

HK\$ Million	Turnover		Profit Contribution ⁽²⁾			
	2015	2014	2015		2014	
Hong Kong	10,328	9,539	2,715	26.3%	3,810	39.9%
Mainland	5,313	2,966	1,059	19.9%	867	29.2%
Singapore	124	15	47	37.9%	2	13.3%
United Kingdom	-	-	(5)	n/a	(6)	n/a
TOTAL	15,765	12,520	3,816	24.2%	4,673	37.3%

Major Contributors to Turnover and Profit in 1H15

Project
Hong Kong: City Point, Hemera, Mont Vert Phases I & II, DIVA
Mainland: • Upper West Shanghai Phase 1B (Shanghai) • Regency Hills Land No. 1 (Chongqing) • The Harbourfront Land Nos. 2, 3, 4 and 6 (Qingdao) • Le Parc Phases 3, 4, 5A, 5B (Chengdu)

- Property sales contribution for 2H15 will mainly be derived from the sale of residential units of **Stars by the Harbour in Hong Kong, Hupan Mingdi in Shanghai, La Grande Ville Phase 3 in Beijing, Emerald city Phase 1 in Nanjing, Millennium Waterfront Phase 1B in Wuhan, Thomson Grand in Singapore** and several others scheduled for completion

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 but excluding interest costs and profit attributable to non-controlling interests.

Property Sales – Contracted Sales Not Yet Recognised



Analysis of Contracted Sales as of 30 June 2015

HK\$ Million	Total Contracted Sales Amount
Hong Kong	12,063
Mainland	17,377
Singapore	3,725
United Kingdom	68
TOTAL	33,233

Property Rental

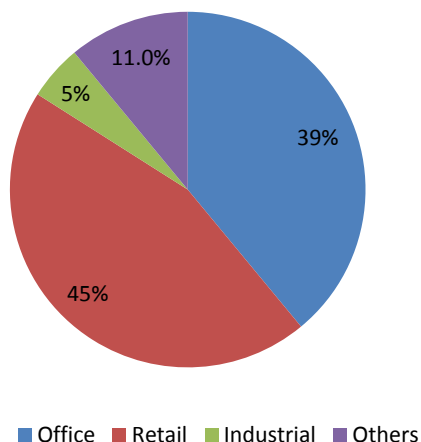


HK\$ Million	2015	2014
Turnover	1,550	1,147
Profit Contribution ⁽¹⁾	1,331	1,015
Margin	85.9%	88.5%

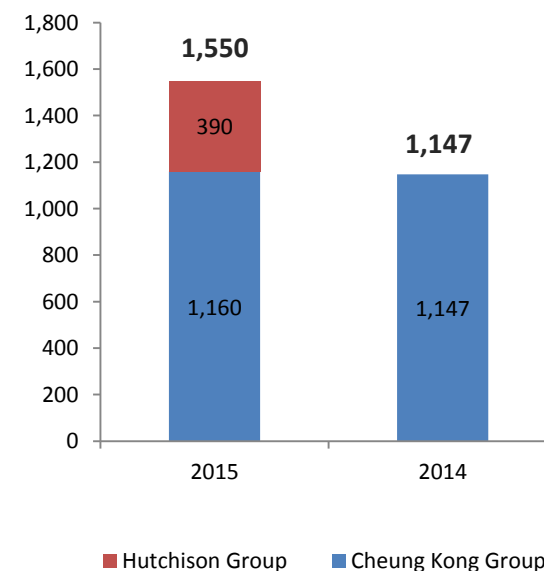
Profit Contribution by Geography

HK\$ Million	Profit Contribution ⁽¹⁾	
	2015	2014
Hong Kong	1,230	895
Mainland	92	113
Overseas	9	7
TOTAL	1,331	1,015

Turnover by Type of Property



Turnover by Property Portfolio
(HK\$ Million)



Note:

(1) Profit contribution refers to pre-tax contribution from the property rental division after allocation of overhead expenses but excluding interest costs, fair value adjustments and profit attributable to non-controlling interests.

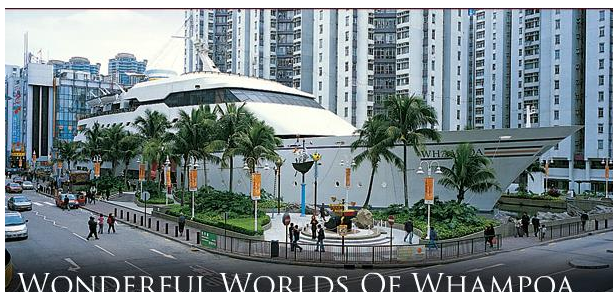
Property Rental



- Increase in fair value of HK\$ 1,291 million from investment properties held by subsidiaries and HK\$ 8 million from investment properties held by joint-ventures

Investment Property Portfolio by Type

	Hong Kong (sqm.)	Mainland (sqm.)	Total (sqm.)	Cap Rate used
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 14 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 interim period end date is 14.7%.

HK\$ Million	2015	2014
Turnover	1,414	1,398
Profit Contribution⁽¹⁾	505	598
<i>Margin</i>	<i>35.7%</i>	<i>42.8%</i>

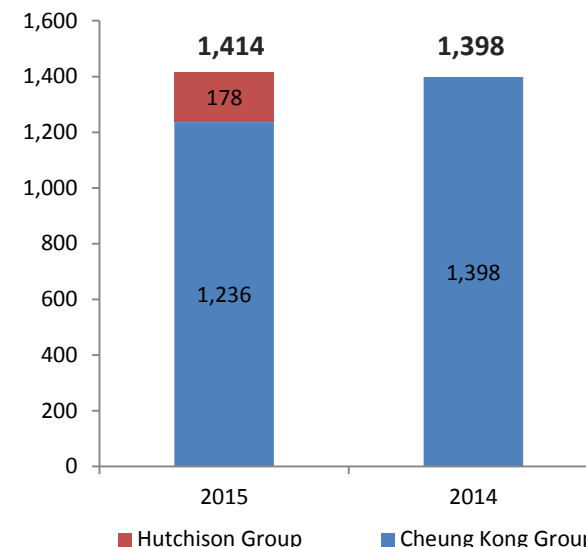
Profit Contribution by Geography

HK\$ Million	Profit Contribution ⁽¹⁾	
	2015	2014
Hong Kong	524	607
Mainland	(14)	(9)
Overseas	(5)	-
TOTAL	505	598

Average Room Rates and Average Occupancy

	Average Room Rates ⁽²⁾	Average Occupancy
Hong Kong	HK\$ 725	85.2%
Mainland	HK\$ 726	48.8%
The Bahamas	HK\$ 788	81.2%

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



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, but excluding interest costs and profit attributable to non-controlling interests.

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

Property and Project Management



- 21 million sqm. of total floor area of properties being managed by the Group

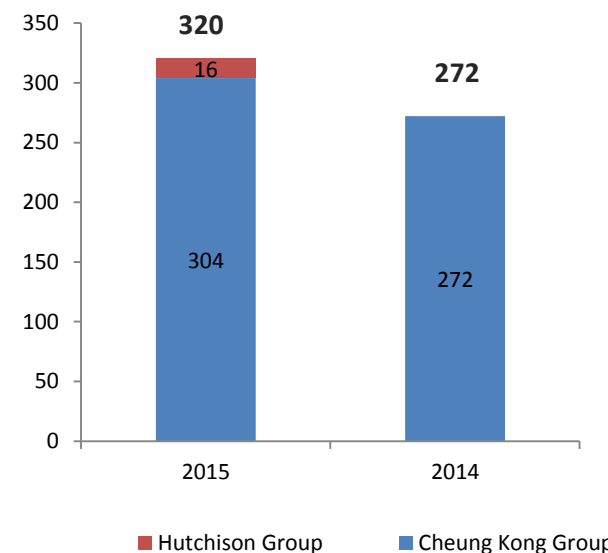
HK\$ Million	2015	2014
Turnover	320	272
Profit Contribution ⁽¹⁾	118	99
Margin	36.9%	36.4%

Profit Contribution by Geography

HK\$ Million	Profit Contribution ⁽¹⁾	
	2015	2014
Hong Kong	95	71
Mainland	7	8
Overseas	16	20
TOTAL	118	99

Turnover by Property and Projects managed

(HK\$ Million)



Note:

(1) Profit contribution refers to pre-tax contribution from the property and project management division after allocation of overhead expenses but excluding interest costs and profit attributable to non-controlling interests.

Interests in Real Estate Investment Trusts

- Contribution to profit for the period by the Group's interest in REITs amounted to HK\$ 322 million comprising:
 - HK\$ 287 million in cash distribution received by Cheung Kong Group before 3 June 2015
 - HK\$ 35 million of Hui Xian REIT which was 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 in the Mainland	32.3%
Fortune REIT	Investment in retail properties in Hong Kong	28.0%
Prosperity REIT	Investment in office, retail and industrial properties in Hong Kong	19.3%

Gearing and Maturity Profile



Bank Borrowings	HK\$ 74.5 billion
Bank Balances and Deposits	HK\$ 46.1 billion
Net Debt	HK\$ 28.4 billion
Shareholders' Equity	HK\$ 258.4 billion
Net Total Capital	HK\$ 296.4 billion
Net Debt to Shareholders' Funds	11.0%
Net Debt to Net Total Capital	9.6%

HK\$ Billion	Bank Borrowings
Within one year	21.4
Within two to five years	49.9
Beyond five years	3.2
TOTAL	74.5

Landbank Summary



- Total development landbank of 14.9 million sqm. across Hong Kong, Mainland, and overseas

Development Landbank by Geography

(million sqm.)	Development Landbank ⁽¹⁾
Hong Kong	0.7
Mainland	13.8
Overseas	0.4
TOTAL	14.9

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

