



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)

2016 Annual Results
22 March 2017



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

2016 Annual Results Highlights



	2016	2015
	HK\$ Million	HK\$ Million
Revenue	69,910	58,793
Profit before investment property revaluation	18,032	15,568
Investment property revaluation (net of tax)	1,383	1,545
Profit attributable to shareholders	19,415	17,113

**Earnings
per share**

HK\$ 5.05 / share

**Net book value
per share**

HK\$ 70.66 / share

Dividend per share

Interim: HK\$ 0.38 / share

Final: HK\$ 1.15 / share

Full year: HK\$ 1.53 / share

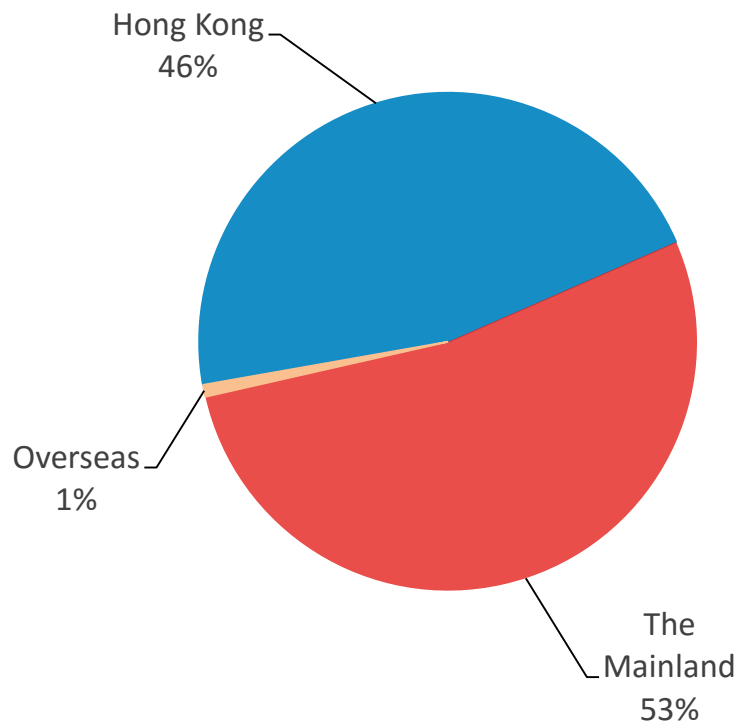
Note:

- (1) 2015 figures include results of the property businesses previously held by the Cheung Kong Group for the full year and results of the property businesses previously held by the Hutchison Group for a 212-day period.

2016 Annual Results Highlights

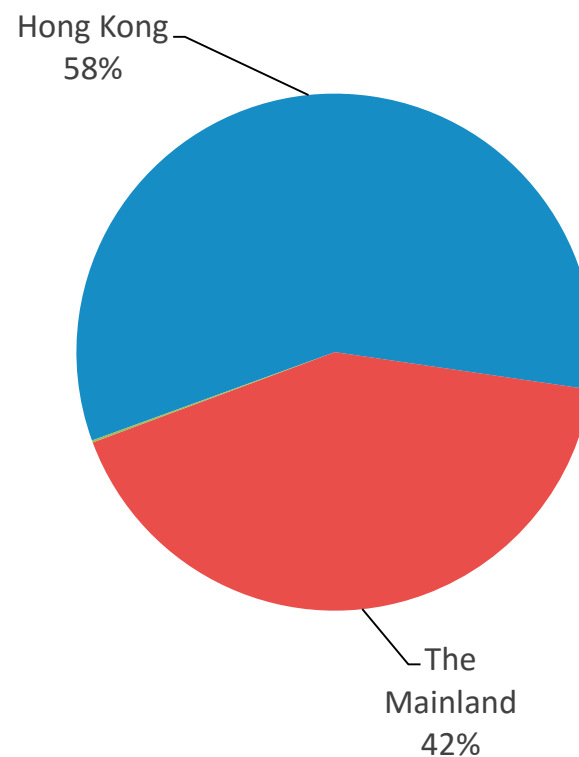


Revenue by Geography



Total Revenue = HK\$ 69,910 million

Profit Contribution by Geography



Profit Contribution⁽¹⁾ = HK\$ 26,311 million

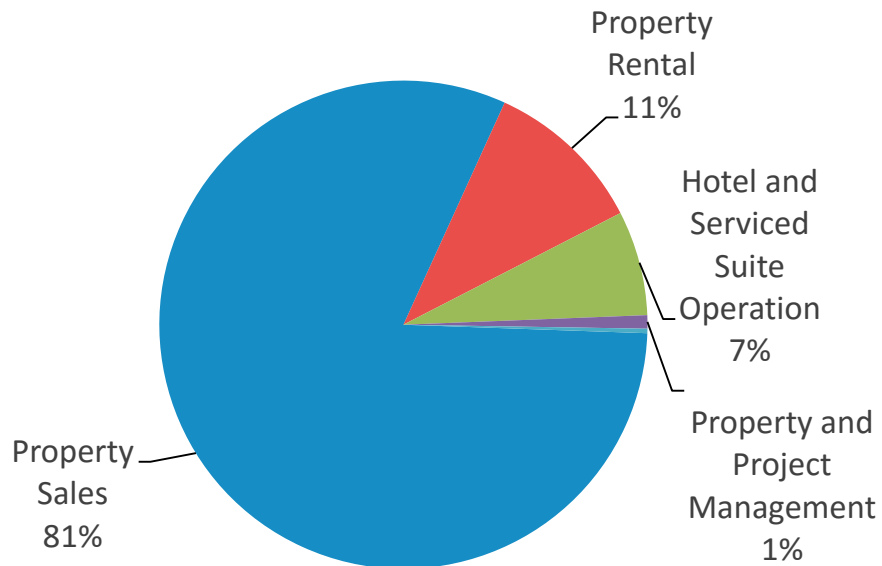
Note:

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

2016 Annual Results Highlights

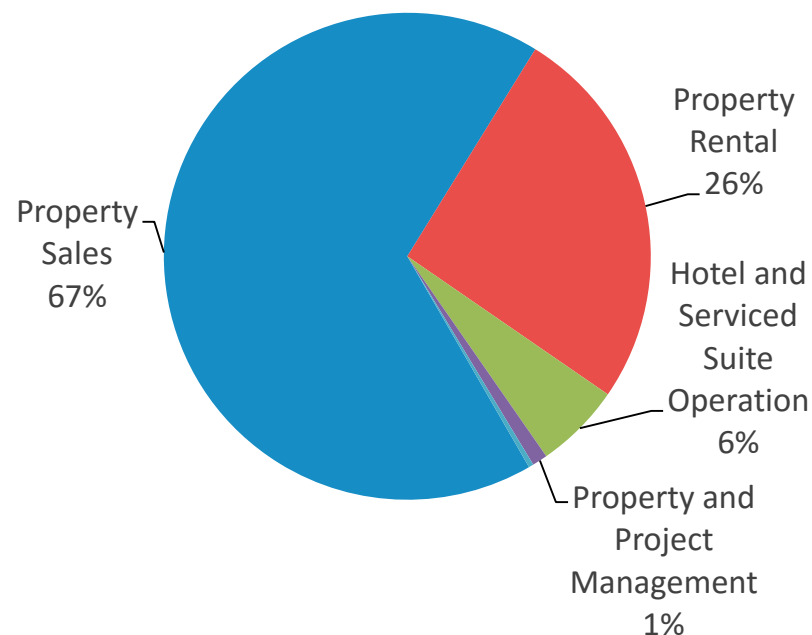


Revenue by Business Segment



Total Revenue = HK\$ 69,910 million

Profit Contribution by Business Segment



Profit Contribution⁽¹⁾ = HK\$ 26,311 million

Note:

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

Profit Contribution by Principal Activities



	<u>2016</u>	<u>2015</u>	Change
	HK\$M	HK\$M	%
Property sales	17,667	15,522	↑ 14%
Property rental	6,784	4,513	↑ 50%
Hotel and serviced suite operation	1,509	1,279	↑ 18%
Property and project management	267	257	↑ 4%
Aircraft leasing	84	-	N/A
	<u>26,311</u>	<u>21,571</u>	↑ 22%
Interests in real estate investment trust	347	500	↓ -31%
	<u>26,658</u>	<u>22,071</u>	↑ 21%
Interest and other finance costs	(645)	(549)	
Increase in fair value of investment properties			
Group	1,262	1,408	
Joint ventures	3	16	
Profit on disposal of joint ventures	-	1,366	
Others	(28)	43	
Taxation			
Group	(7,365)	(6,305)	
Joint ventures	(76)	(142)	
Profit attributable to non-controlling interests	<u>(394)</u>	<u>(795)</u>	
Profit attributable to shareholders	19,415	17,113	↑ 13%

Property Sales



HK\$ Million	2016	2015
Revenue	56,804	49,059
Profit Contribution	17,667	15,522
Margin	31.1%	31.6%

Revenue and Profit Contribution by Geography

HK\$ Million	Revenue		Profit Contribution & Margin			
	2016	2015	2016		2015	
Hong Kong	20,882	15,924	7,108	34.0%	4,769	29.9%
The Mainland	35,914	29,405	10,635	29.6%	10,093	34.3%
Overseas	8	3,730	(76)	N/A	660	17.7%
TOTAL	56,804	49,059	17,667	31.1%	15,522	31.6%

Major Contributors to Revenue and Profit in 2016

Project	
<u>Hong Kong</u>	<u>The Mainland</u>
Residential: • Stars by the Harbour • La Lumière • The Beaumont II • Yuccie Square Commercial: • Heung Yip Road and other commercial properties	• Hupan Mingdi (Shanghai) • Riviera Palace (Shanghai) • Millennium Waterfront (Wuhan) • The Metropolitan (Wuhan) • Emerald City (Nanjing) • Laguna Verona (Dongguan) • The Harbourfront (Qingdao)

- Property sales contribution for 2017 will mainly be derived from the sale of residential units of **Stars by the Harbour, The Zumurud and Seanorama in Hong Kong, La Grande Ville in Beijing, Upper West Shanghai and Hupan Mingdi in Shanghai, Cape Coral in Guangzhou, Laguna Verona in Dongguan, Chelsea Waterfront in the United Kingdom** and a few others scheduled for completion.

Property Sales – Contracted Sales Not Yet Recognised



Analysis of Contracted Sales as at 31 December 2016

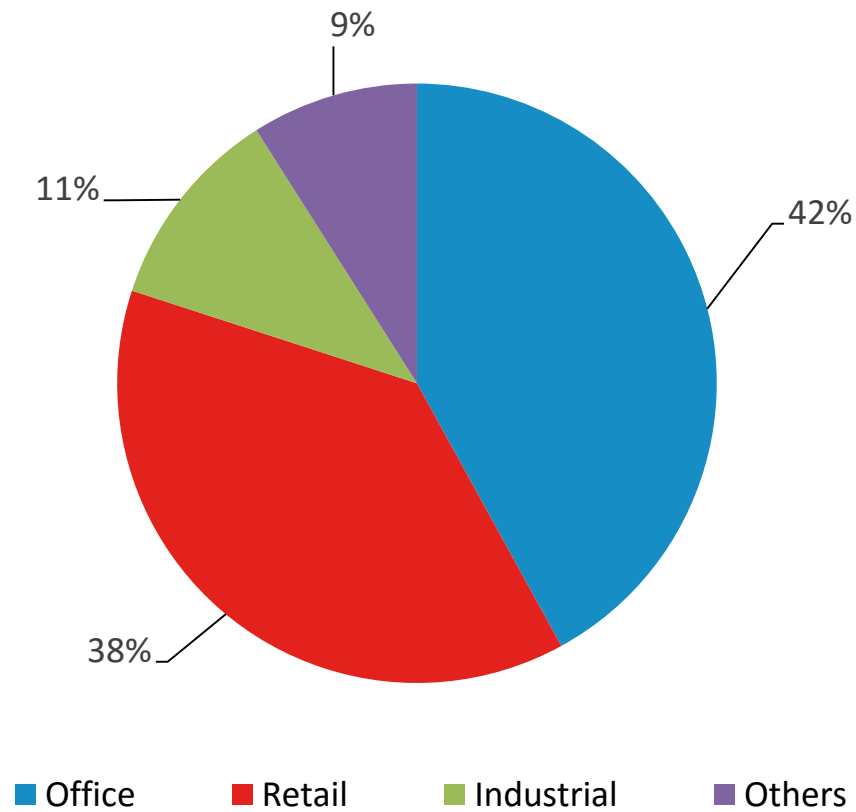
	Contracted Sales Amount
	HK\$ Million
Hong Kong	8,805
The Mainland	38,035
Singapore	972
The United Kingdom	928
TOTAL	48,740

HK\$ Million	2016	2015
Revenue	7,430	5,138
Profit Contribution	6,784	4,513
<i>Margin</i>	91.3%	87.8%

Profit Contribution by Geography

HK\$ Million	Profit Contribution	
	2016	2015
Hong Kong	6,290	4,195
The Mainland	398	272
The United Kingdom	30	11
Others	66	35
TOTAL	6,784	4,513

Revenue by Type of Property



Property Rental



- Increase in fair value of HK\$ 1,262 million from investment properties held by subsidiaries and HK\$ 3 million from investment properties held by joint ventures.

Investment Property Portfolio⁽¹⁾ by Type

	Hong Kong Million sq.ft.	The Mainland Million sq.ft.	Others Million sq.ft.	Total Million sq.ft.	Cap rate used
Office	4	1	-	5	4% - 8%
Retail	3	1	1	5	
Industrial	7	-	-	7	
TOTAL	14	2	1	17	

Note:

(1) Excluding agricultural land.

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 carrying amount at the year end date was 16.9%.

HK\$ Million	2016	2015
Revenue	4,850	4,005
Profit Contribution	1,509 ⁽¹⁾	1,279
Margin	31.1%	31.9%

Note:

- (1) Profit contribution for 2016 refers to pre-tax contribution from the hotel and serviced suite division after depreciation charge of HK\$423 million on land and buildings and absorption of overhead expenses.

Hotel and Serviced Suite Operation



Profit Contribution by Geography

HK\$ Million	Profit Contribution ⁽¹⁾	
	2016	2015
Hong Kong	1,619	1,387
The Mainland	(24)	(27)
The Bahamas	(86)	(81)
TOTAL	1,509	1,279

Average Room Rates and Average Occupancy

	Average Room Rates ⁽²⁾		Average Occupancy	
	2016	2015	2016	2015
Hong Kong	HK\$ 795	HK\$831	88.6%	88.2%
The Mainland	HK\$ 599	HK\$650	63.4%	61.2%
The Bahamas	HK\$ 751	HK\$769	49.8%	56.5%

Note:

(1) Profit contribution for 2016 refers to pre-tax contribution from the hotel and serviced suite division after depreciation charge of HK\$423 million on land and buildings and absorption of overhead expenses.

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

Property and Project Management



- Total floor area of properties under management has reached approximately 252 million sq.ft.

HK\$ Million	2016	2015
Revenue	620	591
Profit Contribution	267	257
<i>Margin</i>	43.0%	43.5%

Profit Contribution by Geography

HK\$ Million	Profit Contribution	
	2016	2015
Hong Kong	209	185
The Mainland	35	30
Others	23	42
TOTAL	267	257

HK\$ Million	2016	2015
Revenue	206	-
Profit Contribution	84 ⁽¹⁾	-
Margin	40.8%	-

Profit Contribution by Geography

HK\$ Million	Profit Contribution ⁽¹⁾	
	2016	2015
Asia	15	-
Europe	6	-
North America	43	-
Latin America	20	-
TOTAL	84	-

73 Aircraft
(67 narrow body; 6 wide body)

Average age 4.5 years

**Average remaining lease term
6.4 years**

Note:
(1) Profit contribution for 2016 refers to pre-tax contribution from the aircraft leasing business after depreciation charge of HK\$99 million and absorption of overhead expenses.



Interests in Real Estate Investment Trusts

- Contribution to profit for the year by the Group's interests in REITs amounted to HK\$ 347 million.
- Cash distribution of **HK\$ 871 million** in total was received from Hui Xian REIT, Fortune REIT and Prosperity REIT.

	Principal Activities	Effective Interests as of 31 Dec 2016
Hui Xian REIT	Investment in hotels and serviced suites, office and retail properties on the Mainland	32.4%
Fortune REIT	Investment in retail properties in Hong Kong	27.7%
Prosperity REIT	Investment in office, retail and industrial properties in Hong Kong	18.9%

Gearing and Maturity Profile



Bank and Other Borrowings	HK\$ 70.2 billion
Bank Balances and Deposits	HK\$ 62.6 billion
Net Debt	HK\$ 7.6 billion
Shareholders' Funds	HK\$ 270 billion
Total Equity	HK\$ 276 billion
Net Total Capital	HK\$ 284 billion

Key Ratios	
Net Debt to Shareholders' Funds	2.8%
Net Debt to Net Total Capital	2.7%

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. The Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Maturity Profile of Bank and Other Borrowings as at 31 Dec 2016

	Bank and Other Borrowings
	HK\$ Billion
Within one year	4.4
Within two to five years	56.9
Beyond five years	8.9
TOTAL	70.2

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

	Type	Ratings	Outlook
S&P	Corporate credit rating	A-	Positive
Moody's	Issuer rating	A2	Stable
Fitch	Senior unsecured rating	A-	Positive

Landbank Summary



- Total development landbank of approximately 12.6 million sq.m. (approximately 135 million sq.ft.) across Hong Kong, the Mainland, and overseas.
- New acquisitions in 2016:
 - September 2016: awarded a Government tender for a site, Sha Tin Town Lot No. 614, at Lai Ping Road, Kau To, Sha Tin, New Territories. Site area: approximately 6,299 sq.m. (approximately 67,800 sq.ft.); developable gross floor area: approximately 22,676 sq.m. (approximately 244,080 sq.ft.)

Development Landbank⁽¹⁾ by Geography

	Development Landbank	
	Million sq.m.	Million sq.ft.
Hong Kong	0.6	6
The Mainland	11.6	125
Overseas	0.4	4
TOTAL	12.6	135

Note:

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



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Thank you

