



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)

2019 Annual Results

19 March 2020



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

2019 Final Results Highlights

Underlying profit increased by 19%



Underlying EPS

HK\$7.78

+ 19%

Dividend per share

HK\$2.1

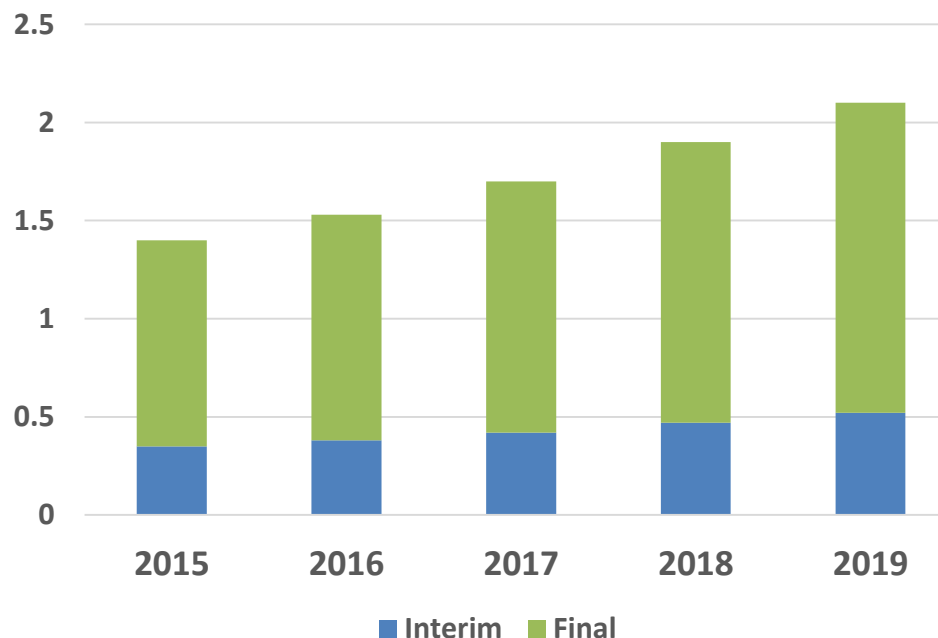
+10.5 %

Net book value
per share

HK\$93.21

+ 6%

DPS (HK\$/share)



2019 Final Results Highlights

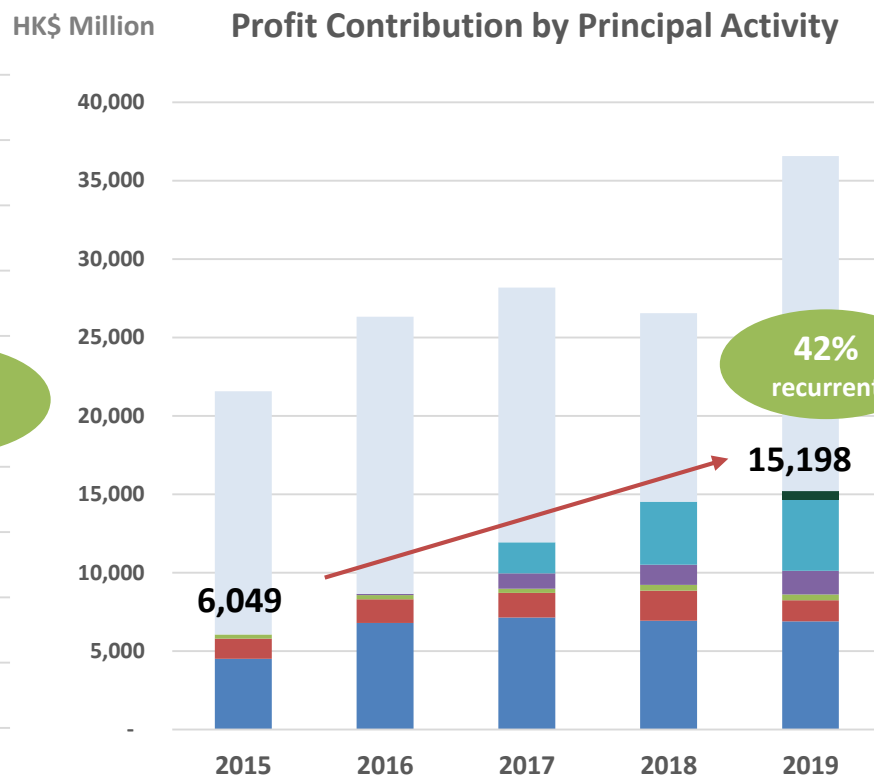
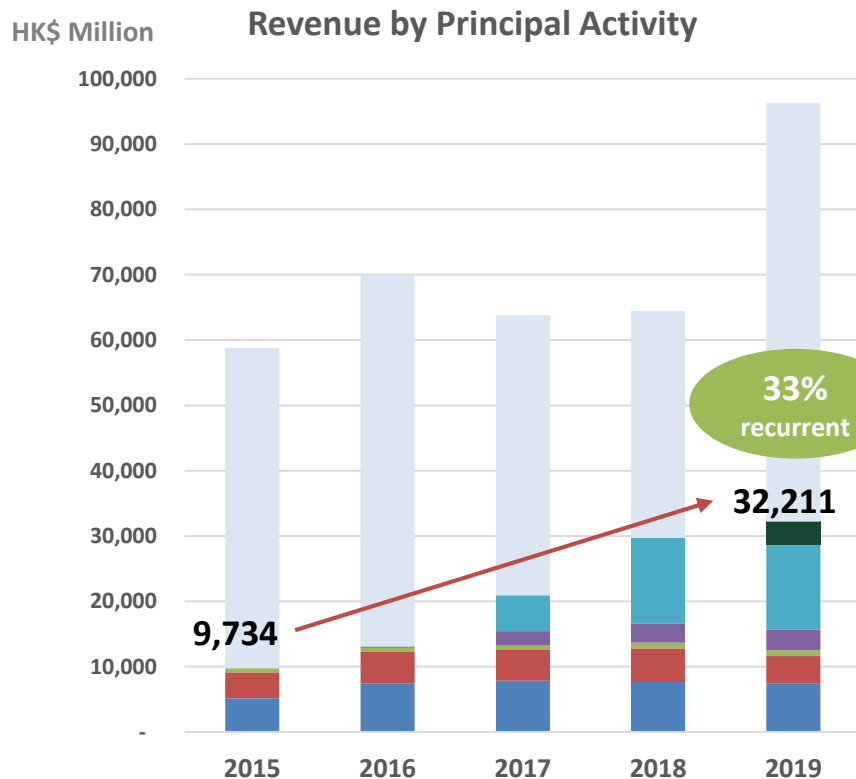
Solid year generating HK\$29,134 million of reported earnings



HK\$ Million	2019	2018	Change
Revenue	96,319	64,481	+49%
Underlying profit	28,729	24,134	+19%
Investment property revaluation and disposal	405	15,983	
Reported earnings	29,134	40,117	
<i>Reported EPS (HK\$ / share)</i>	7.89	10.85	-27%

2019 Final Results Highlights

Quality and resilience of earnings beginning to take shape



- Property Rental
- Hotel and Serviced Suites
- Property and Project Management
- Aircraft Leasing
- Infrastructure and Utility Asset Operation
- Pub Operation
- Property Sales

Note:

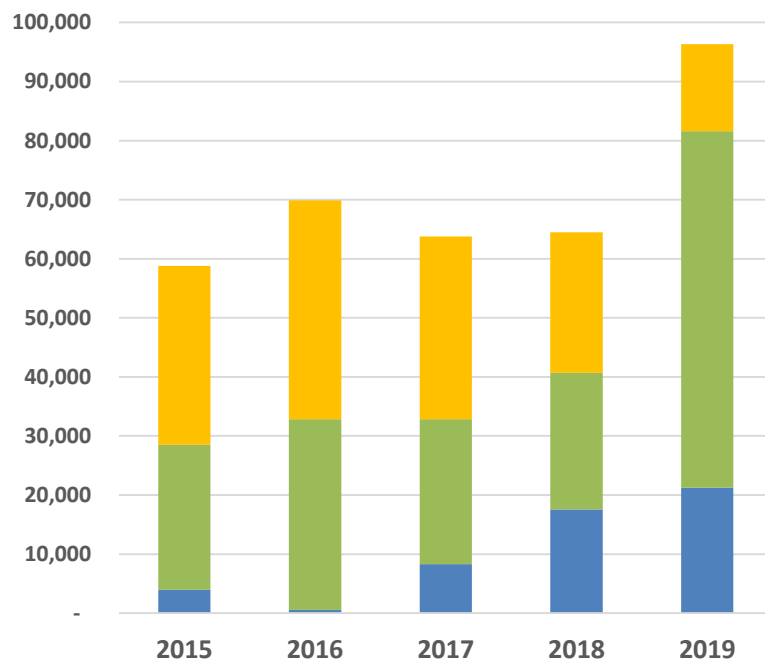
(1) Profit Contribution refers to contribution from principal activities after depreciation and absorption of overhead expenses, but before interest costs and tax.

2019 Final Results Highlights

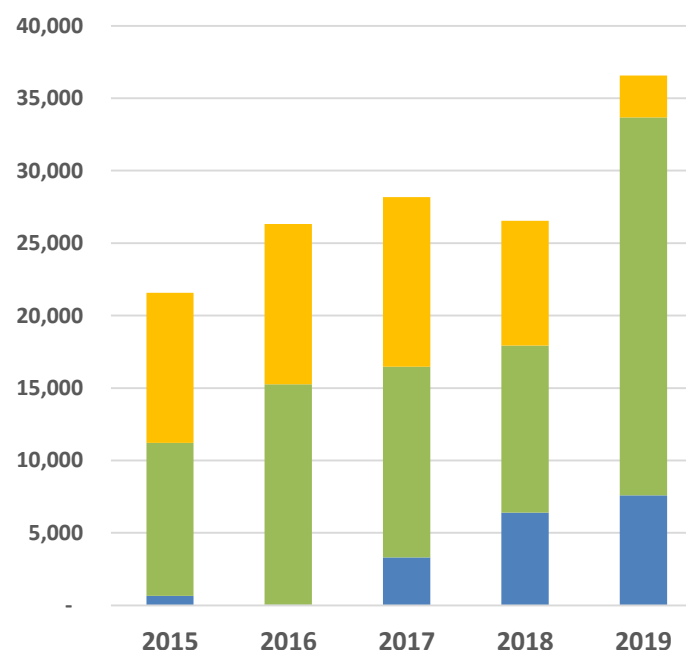
Surge in HK bookings in FY19; 80% contribution from HK & Mainland; 20% from Overseas



HK\$ Million Revenue by Geography



HK\$ Million Profit Contribution by Geography



■ The Mainland ■ Hong Kong ■ Overseas

Note:

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

Property Sales



Property Sales



HK\$ Million	2019	2018	Change
Revenue	64,108	34,767	+84%
Profit contribution	21,372	12,003	+78%
Margin	33.3%	34.5%	



Property Sales



HK\$ Million	Revenue		Profit Contribution		Margin	
	2019	2018	2019	2018	2019	2018
Hong Kong	50,020	11,497	18,982	3,580	37.9%	31.1%
The Mainland	13,059	22,142	2,074	7,783	15.9%	35.2%
Overseas	1,029	1,128	316	640	30.7%	56.7%



HK\$29,298M contracted sales not yet recognized



**Hong Kong
HK\$8,696M**

90 Repulse Bay Road, Hong Kong



**The Mainland
HK\$18,300M**

Laguna Verona, Dongguan



**Overseas
HK\$2,302M**

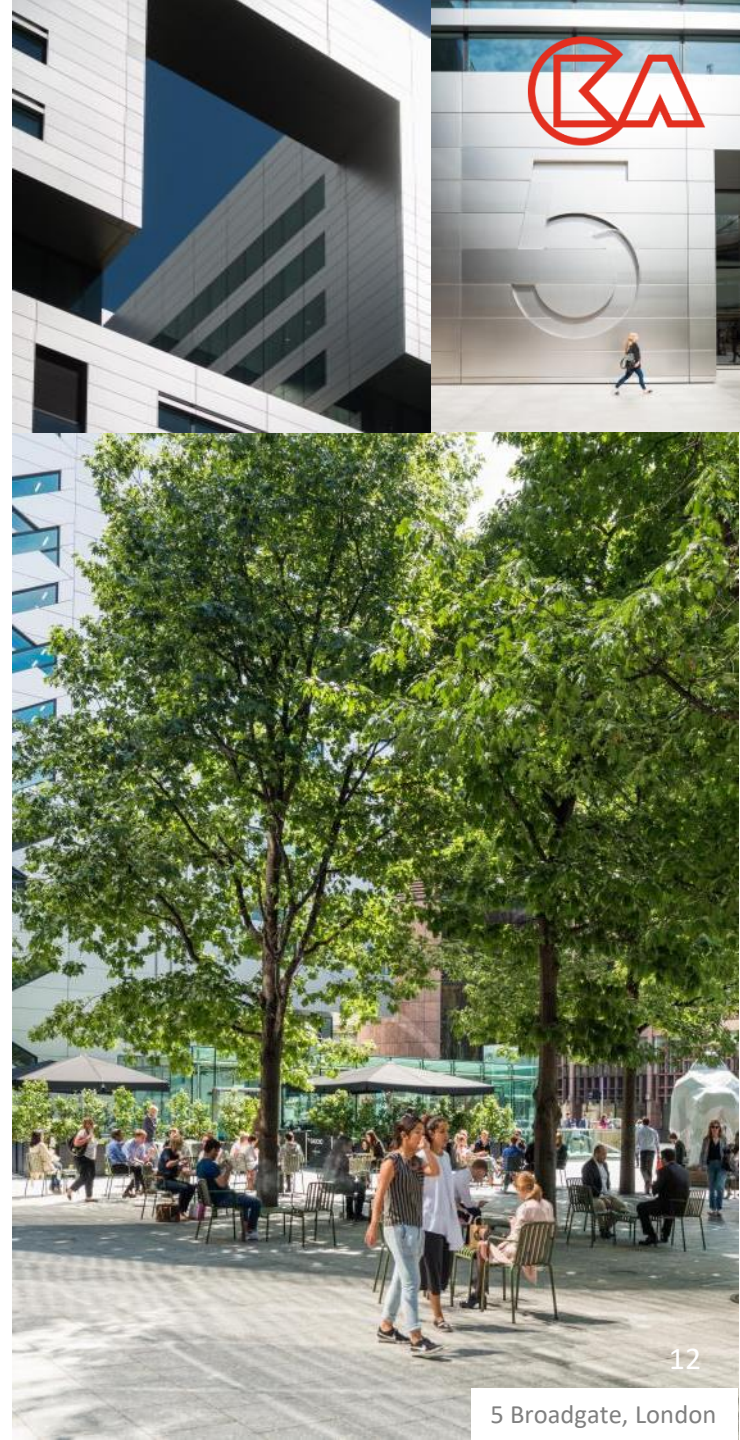
Chelsea Waterfront, London



Property Rental

Property Rental

HK\$ Million	2019	2018	Change
Revenue	7,450	7,635	-2%
Profit contribution	6,897	6,930	-1%
Margin	92.6%	90.8%	



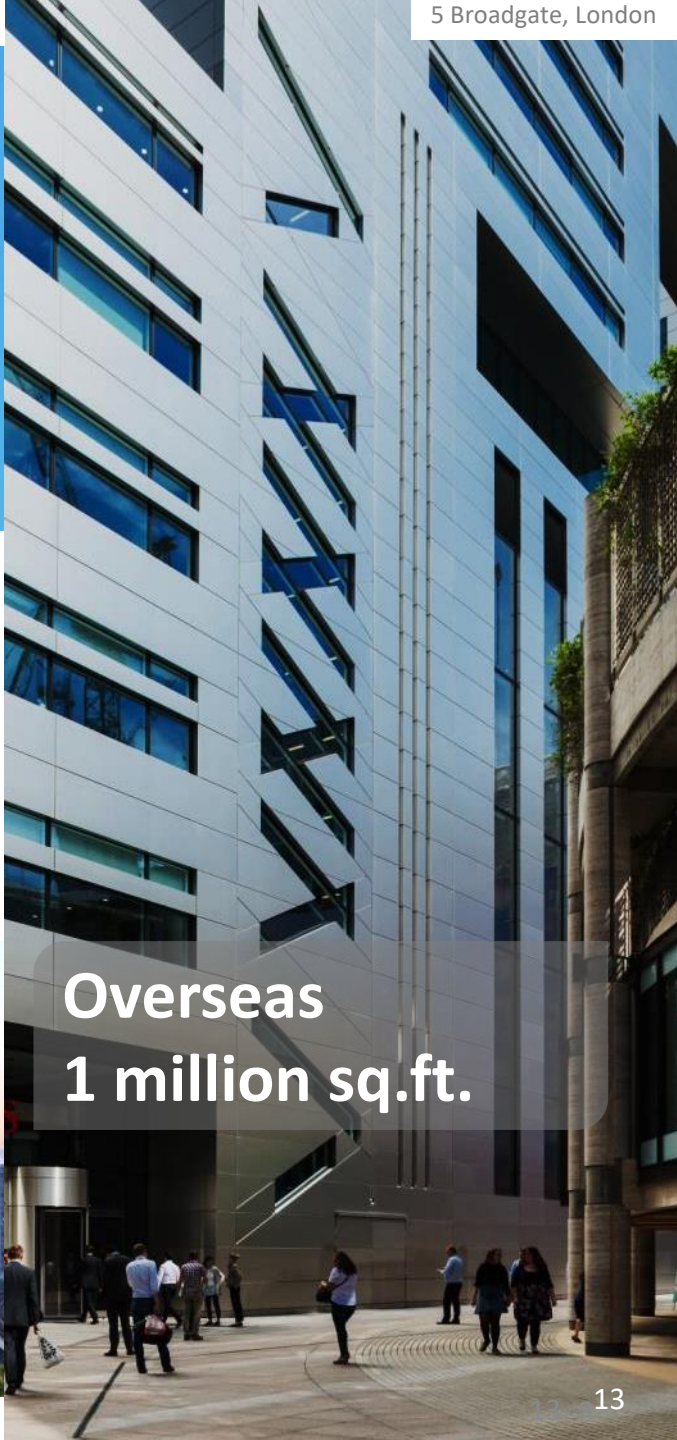


Hong Kong
13 million sq.ft.

16 million sq.ft. of investment properties



The Mainland
2 million sq.ft.



Overseas
1 million sq.ft.



**Increase in fair value of investment
properties of HK\$228 million**



4% - 8% cap rate



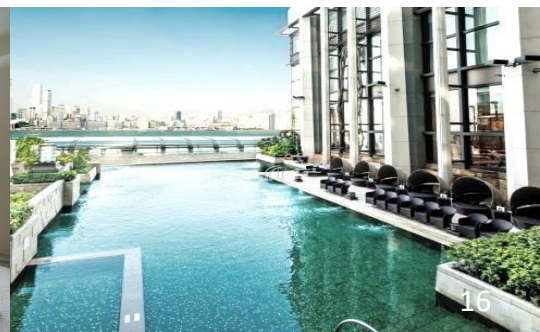
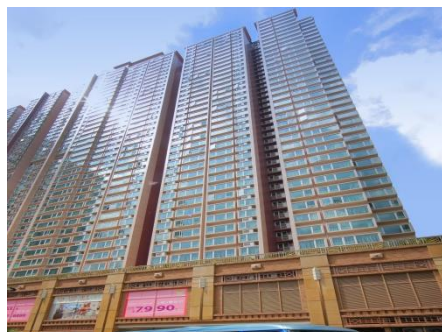
Hotel and Serviced Suite Operation



Hotel and Serviced Suite Operation



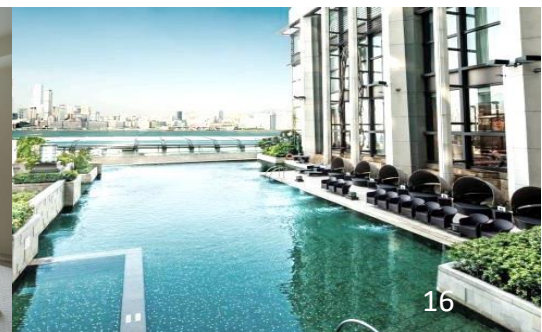
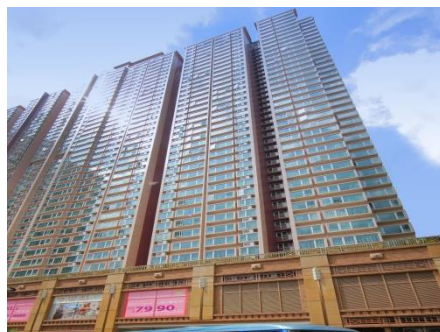
HK\$ Million	2019	2018	Change
Revenue	4,185	5,152	-19%
Profit contribution	1,345	1,924	-30%
Margin	32.1%	37.3%	



Hotel and Serviced Suite Operation



HK\$ Million	Profit Contribution	
	2019	2018
Hong Kong	1,371	1,978
The Mainland	(26)	(21)
Overseas	-	(33)
Total	1,345	1,924



Hotel and Serviced Suite Operation



Approximately 15,000 rooms and serviced suites

Average occupancy rate

Jan – Jun 19: 89.5%

Jul – Dec 19: 71.3%



Soft opening of Hotel Alexandra (840 rooms) will soon take place



Property and Project Management



Property and Project Management



HK\$ Million	2019	2018	Change
Revenue	868	884	-2%
Profit contribution	362	371	-2%
Margin	41.7%	42.0%	



1881 HERITAGE, Hong Kong



Aircraft Leasing



HK\$ Million	2019	2018	Change
Revenue	3,192	2,949	+8%
Profit contribution	1,515	1,276	+19%
Margin	47.5%	43.3%	



Aircraft Leasing



HK\$ Million	Profit Contribution	
Lessee's Location of Operation	2019	2018
Asia	481	518
Europe	438	300
North America	388	302
Latin America	208	156
Total	1,515	1,276

134 Aircraft

(129 narrow body;
5 wide body)

**Average remaining
lease term**

4.7 years

Average age

6 years



Pub Operation



Pub Operation



Acquired on 30 October 2019

**Leading brewer and pub retailer
operating over 2,700 pubs,
restaurants and hotels across
England, Wales and Scotland**

**Total consideration
approximately £2.655 billion**



Pub Operation



HK\$ Million	2019 (Nov – Dec)	2018	Change
Revenue	3,611	-	N/A
Profit contribution	555	-	N/A
Margin	15.4%		





Infrastructure and Utility Asset Operation



Infrastructure and Utility Asset Operation



	CK William JV 40% JV (DUET Group) HK\$ Million	CKP (Canada) JV 75% JV (Reliance Group) HK\$ Million	Sarvana JV 65% JV (ista Group) HK\$ Million	Other investments HK\$ Million	2019 Total HK\$ Million	2018 Total HK\$ Million	Change
Revenue	4,158	3,542	5,205	-	12,905	13,094	-1%
Profit contribution	1,548	1,086	1,260	630	4,524	4,034	+12%
Margin	37.2%	30.7%	24.2%	-	N/A	N/A	

Note:

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



Interests in Real Estate Investment Trusts

HK\$836million⁽¹⁾ total distribution received



HK\$ Million	2019	2018
Share of profit of Hui Xian REIT	175	218
Cash distributions received from Fortune REIT and Prosperity REIT	319	320
	494	538

	Hui Xian REIT	Fortune REIT	Prosperity REIT
Equity Interest as of 31 Dec 2019	32.2%	27.1%	18.3%
Asset under management (Million sq. ft.)	11.8 ⁽²⁾	3.0 ⁽²⁾	1.3 ⁽²⁾

Note:

(1) HK\$517 million of distribution was received from Hui Xian REIT. Cash distributions received from Fortune REIT and Prosperity REIT totaled HK\$319 million.

(2) Based on latest public announcements.

(3) Fair value change was recorded under "Gain on financial instruments".

Gearing and Maturity Profile



Bank and other borrowings with maturities	HK\$ Billion
Within one year	6.8
Within two to five years	51.8
Beyond five years	21.5
Total	80.1
Bank balances and deposits	60.3
Net debt	19.8

5.7% Net Debt to Shareholders' Funds

5.2% Net Debt to Net Total Capital

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

Landbank Summary

Total landbank of 117 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	4	84	4	92
Investment Properties	13	2	1	16
Hotels and Serviced Suites	8	1	-	9
Total	25	87	5	117

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 completed properties, agricultural land and projects under planning but includes developers' interests in joint development projects.



Date	Project Location	Approximate Developable Gross Floor Area (sq.ft.)	Group's Interest
March 2019	Tung Yuen Street and Shung Yiu Street, Yau Tong (Yau Tong Inland Lot No. 45)	418,339	100%



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Thank you

